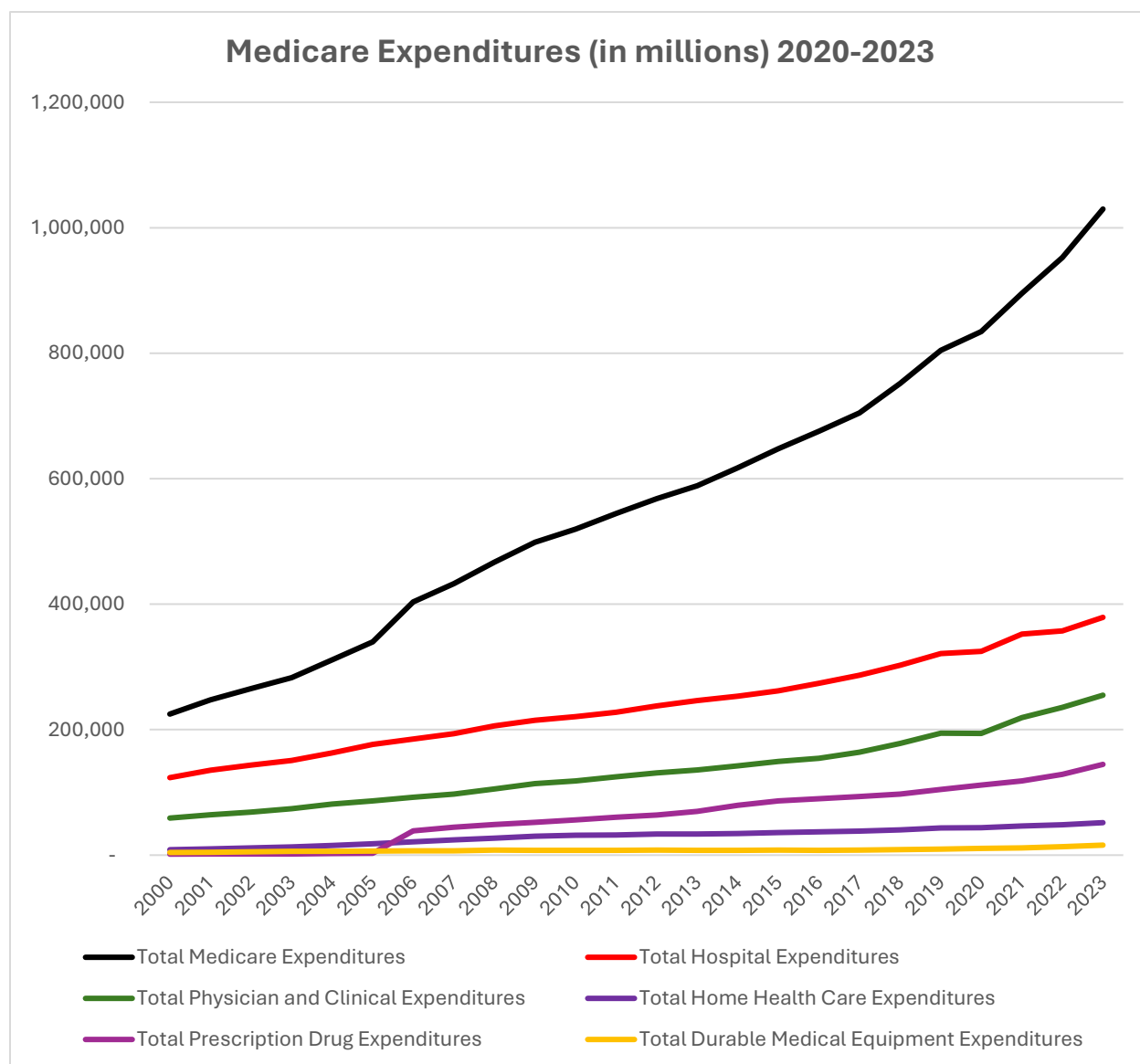


## Durable Medical Equipment (DME) Represents Approximately 1.5% of Medicare Spending



Source: Centers for Medicare & Medicaid Services,  
Office of the Actuary, National Health Statistics Group

<https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical.html>

## **MEDICARE NEEDS COST-EFFECTIVE SOLUTIONS**

Medicare expenditures continue to rise in spite of flat-lined durable medical equipment (DME) spending. It is critical that cost-effective home- and community-based services are strengthened and protected as our nation prepares for the senior tsunami.

- Overall Medicare spending increased over 264% from 2003-2023.
- In contrast, DME grew at 62% of the rate of Medicare from 2003-2023.
- DME as a percent of Medicare spending declined from 2.13% in 2003 to 1.55% (\$15.9 billion) of the Medicare budget in 2023.<sup>1</sup>

## **DME IS ESSENTIAL IN MEETING THE HEALTH CARE TRIPLE AIM**

It is imperative that the United States invest in cost-effective solutions to meet the needs of a rapidly aging population. By 2040, the percent of people 85+ will double to 14 million,<sup>2</sup> and by 2060, almost a quarter of the US population will be 65+.<sup>3</sup>

DME is a critical component of home-based care with tens of millions of Medicare beneficiaries relying on DME, supplies, and services to manage their needs in a home setting. Homecare is:

- **Patient Preferred** – 77% of seniors want to age in place<sup>4</sup>
- **Cost Effective** – Home-based care is less expensive than institutional care<sup>5,6,7</sup>
- **Maximizes Health Outcomes** – Home-based care reduces admissions/readmissions and lessens trips to the Emergency Department<sup>8</sup>

*“Post pandemic, governments should relook at home care as it provides a safer, more affordable, and higher quality option for aging seniors.” – World Economic Forum<sup>9</sup>*

Join us in preserving this important safety net for caring for our medically frail seniors and people with disabilities. Homecare is part of the solution to our nation’s health care crisis, and it is imperative that Congress protects this valuable benefit to contain costs and provide better health outcomes.

### **REFERENCES:**

1. <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/nationalHealthAccountsHistorical.html>
2. <https://www.census.gov/library/publications/2014/demo/p25-1140.html>
3. <https://health.gov/healthypeople/objectives-and-data/browse-objectives/older-adults>
4. <https://datastories.aarp.org/2021/home-and-community-preferences/>
5. <https://www.ajmc.com/view/improved-cost-and-utilization-among-medicare-beneficiaries-dispositioned-from-the-ed-to-receive-home-health-care-compared-with-inpatient-hospitalization>
6. <https://pmc.ncbi.nlm.nih.gov/articles/PMC9495472/>
7. <https://www.carescout.com/cost-of-care>
8. <https://www.ajmc.com/view/improved-cost-and-utilization-among-medicare-beneficiaries-dispositioned-from-the-ed-to-receive-home-health-care-compared-with-inpatient-hospitalization>
9. <https://www.weforum.org/agenda/2020/10/why-home-could-be-the-safest-place-for-seniors-during-the-pandemic/>