

COST INCREASES AFFECTING OSTOMY & UROLOGICAL SUPPLIES

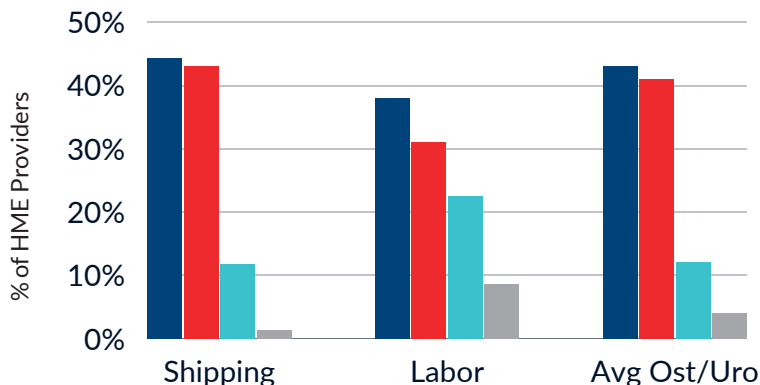
Current reimbursement rates for ostomy & urological supplies fail to factor the increased costs and *must be addressed to preserve access to care*

POTENTIAL IMPACT ON HME PROVIDERS:

Up to 20%+ increased shipping costs
Up to 20%+ increased labor costs
Up to 20%+ increased cost of goods

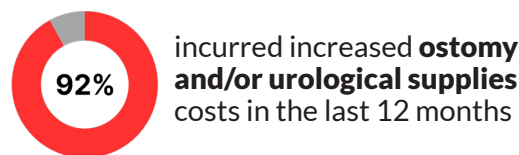
93% REPORT NO PAYER RATE INCREASES
Excluding Medicare CPI-U Adjustment

Percent of Increased Costs Incurred¹

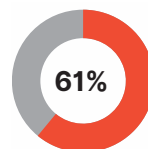


■ 1-10% increase ■ 11-20% increase ■ 21-30% increase ■ 31+% increase

HME PROVIDERS' COST INCREASES FROM MANUFACTURER/DISTRIBUTOR¹



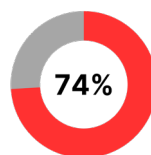
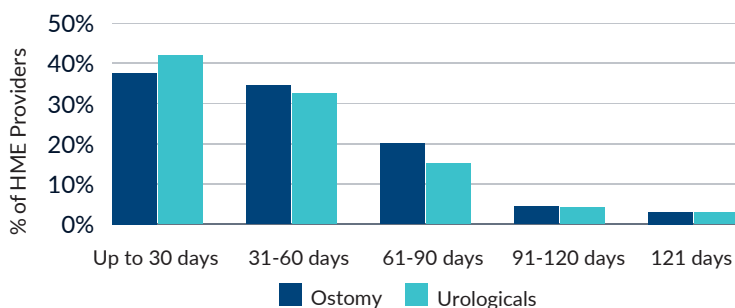
received advance notice or expectation of ostomy/urological **price increases this year**



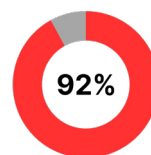
CONTINUED MARKET CHALLENGES WITH SUPPLY CHAIN DISRUPTION & INCREASED SHIPPING COSTS¹

Respondents report supply chain, inflation, labor market, and challenges managing operational costs as issues negatively impacting their ability to provide disposable supplies

Supply Chain Interruption - Delayed Timeframe to Order Fulfillment¹



Incurred increased labor costs



Incurred increased shipping costs

84% experienced **supply chain disruption** in the last 12 mo.

74% ship the majority of ostomy and/or urological supplies directly to end users

6.9% Minimum additional increase in shipping costs by major carriers to take effect in 2023³

1) National AAH supplier survey on ostomy/urological supplies, March '23.
2) AAH analysis of Medicare DMEPOS suppliers, July '23
3) <https://www.partnership.com/blog/post/fedex-ups-general-rate-increase>

Note: Home Medical Equipment (HME) Providers are also referred to as suppliers

37%
fewer HME Providers nationwide since 2013²

Unsustainable Reimbursement Can Jeopardize Patient Access to Care