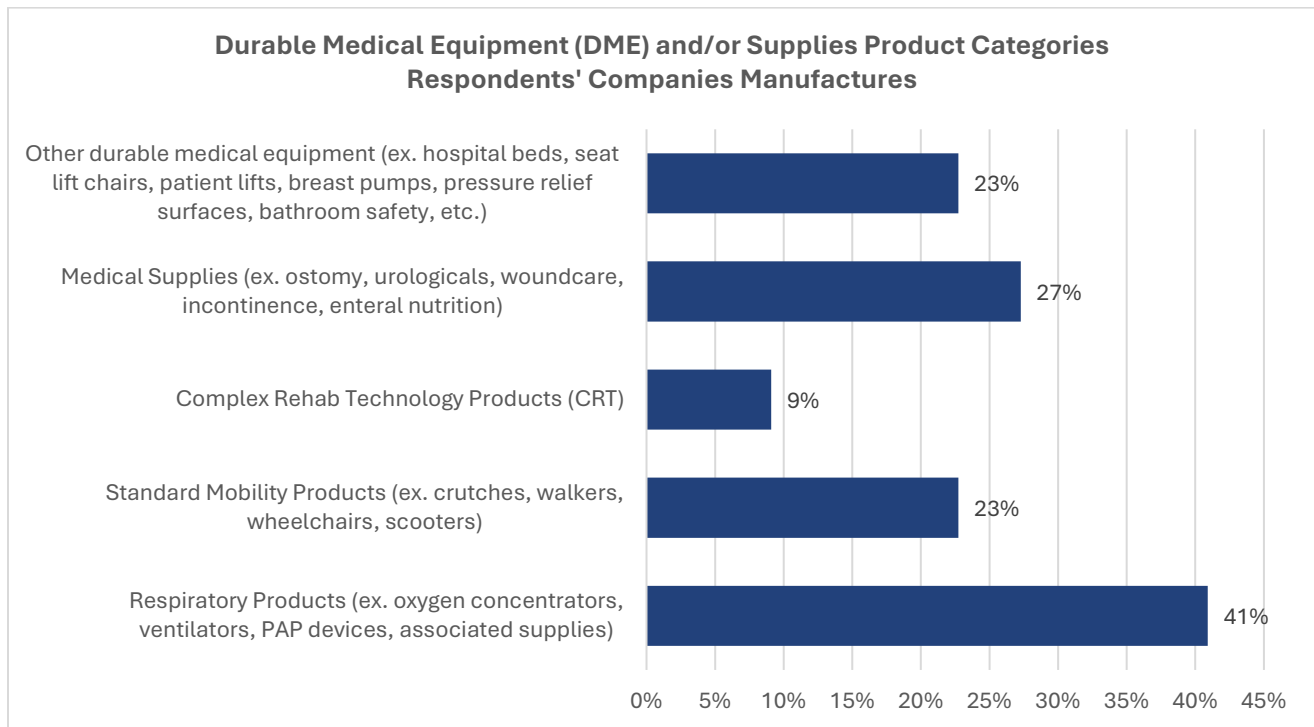


2025 Tariff Survey Results

OVERVIEW

The American Association for Homecare and VGM Group conducted a nationwide survey to understand the potential impact of tariffs on manufacturers of durable medical equipment (DME) and medical supplies. The survey was conducted from May 8-25, 2025 via web-based survey and open to all relevant Industry stakeholders, regardless of membership status.

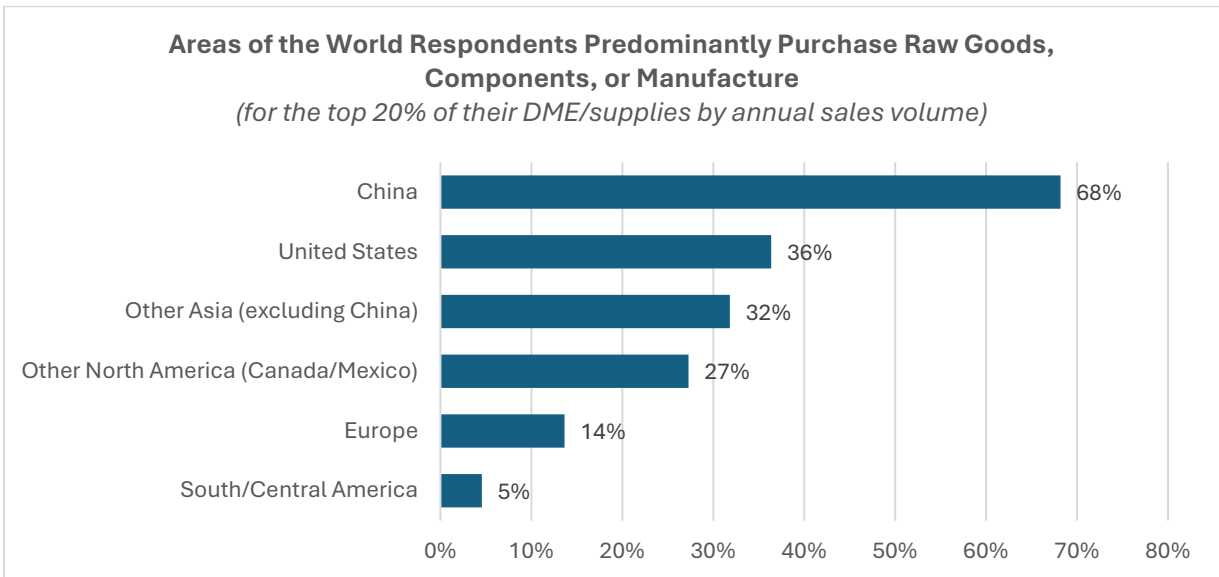
22 manufacturer companies took the survey, representing every major product category of DME/supplies:



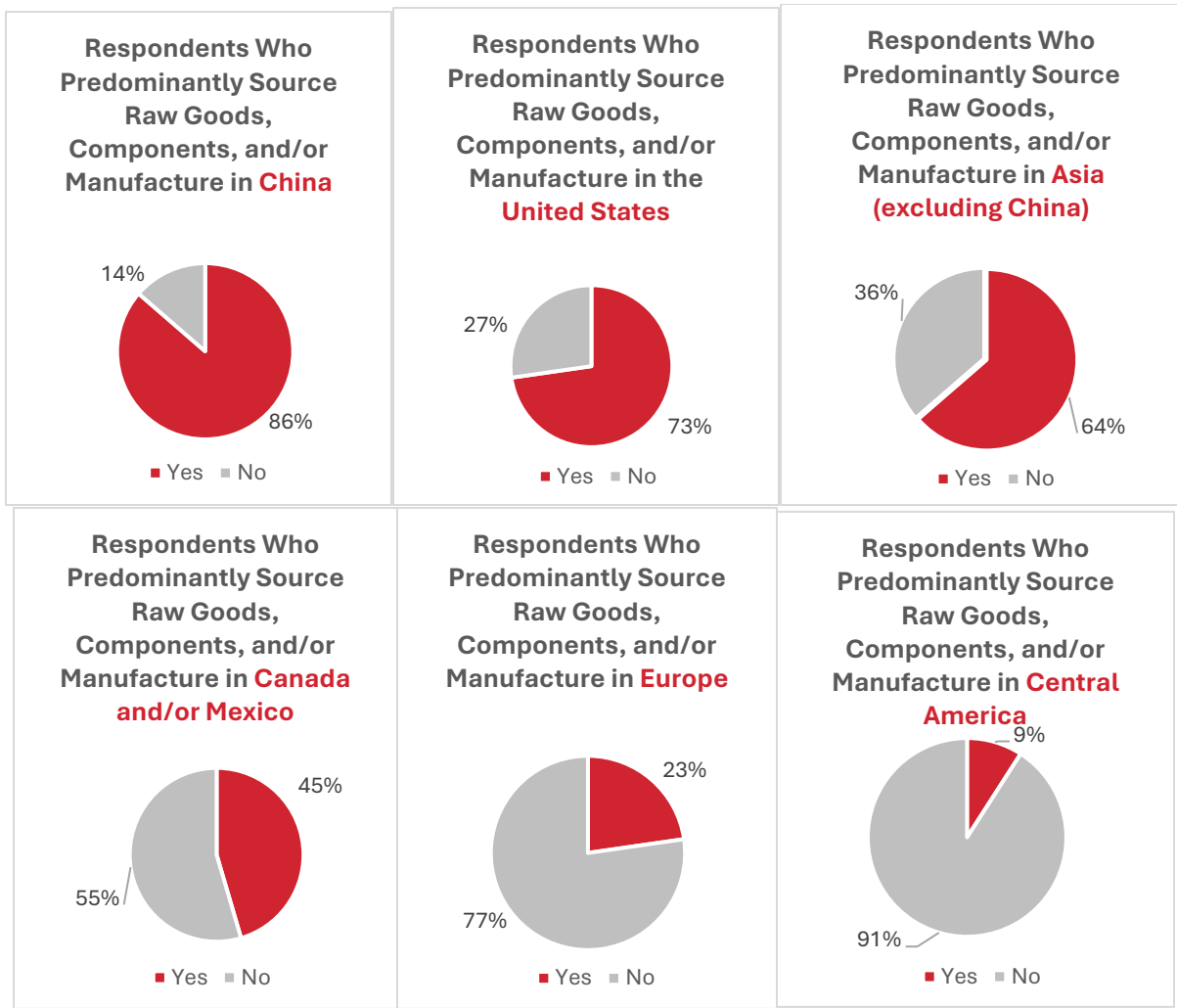
GLOBAL GEOGRAPHIC SOURCING

Respondents predominantly source raw goods, components, and/or manufacture in Asia and North America. However, there were minor differences when comparing their *overall* sourcing locations vs isolating their *top 20% of products* by sales volume. Few predominantly source in Europe or Central America.

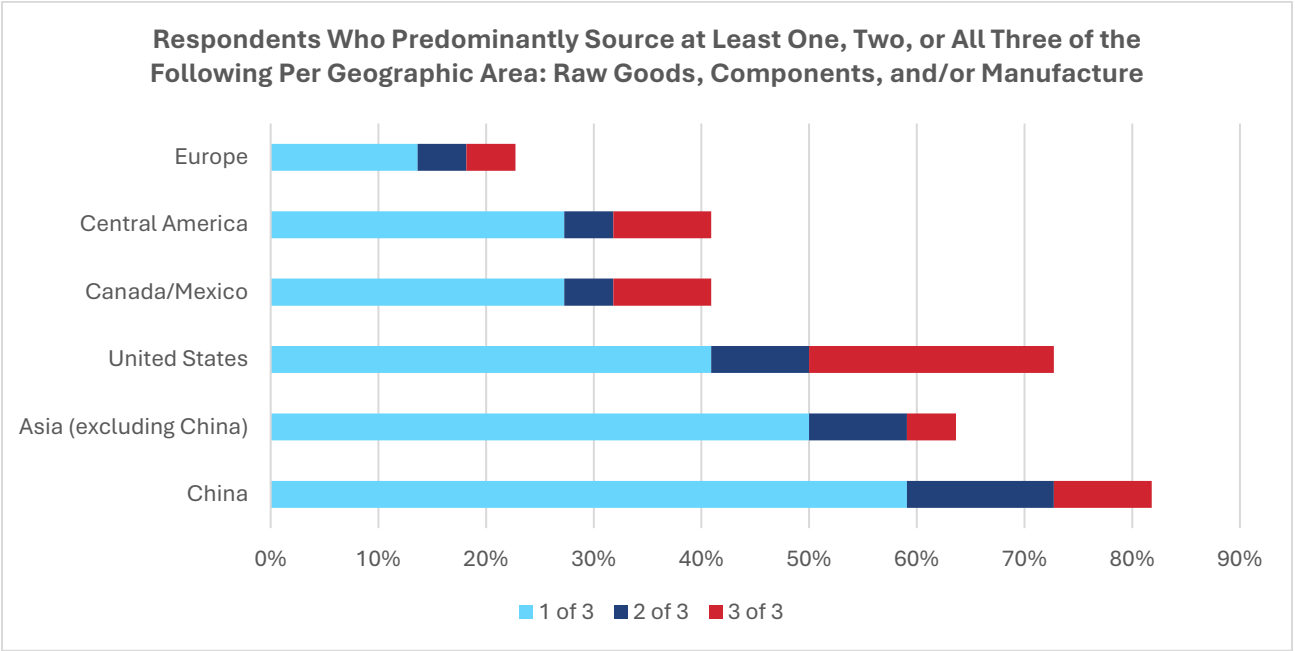
The following chart shows where respondents source their top 20% of products (by annual sales volume):



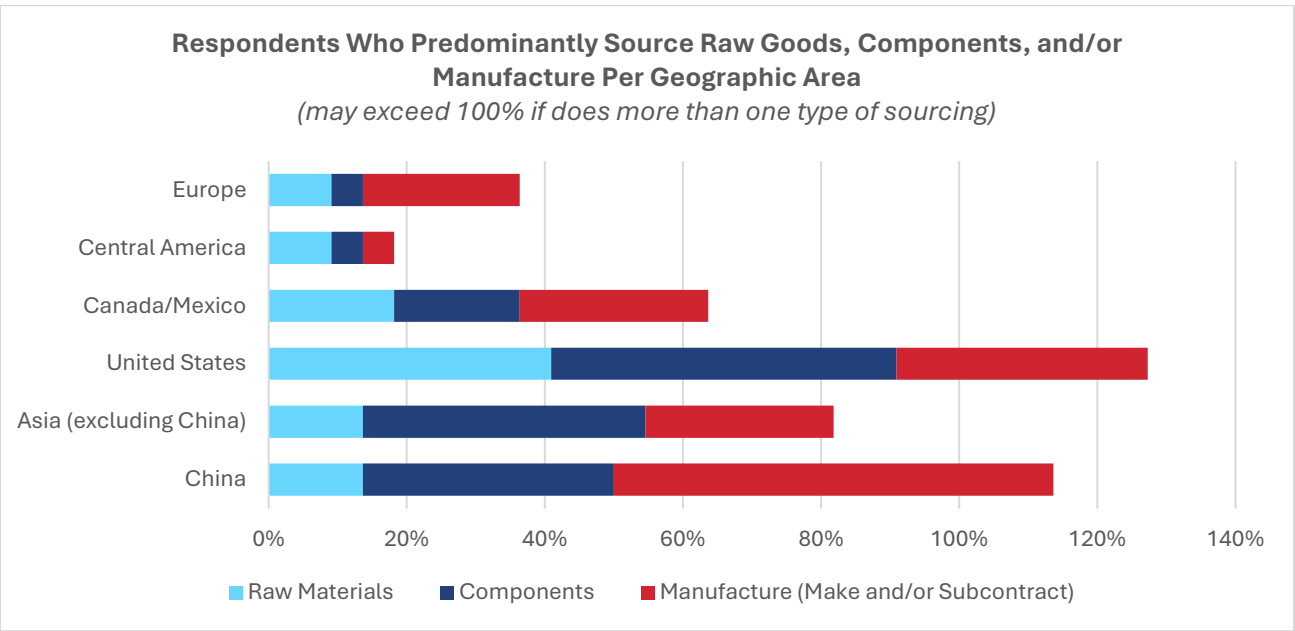
Similarly, the overall reporting of where respondents “predominantly” source for all products also shows Asia and North America, but with China (#1), then USA (#2), then Other Asia (#3), then Canada/Mexico (#4).



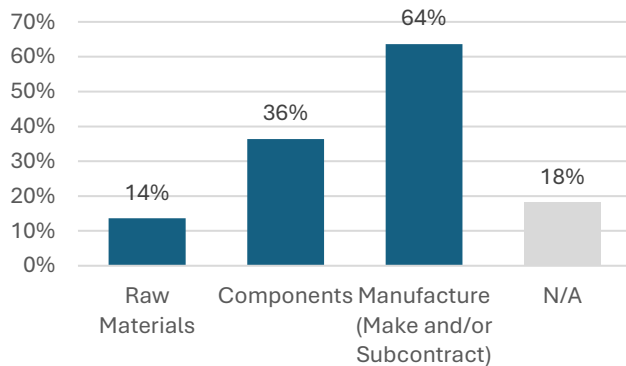
Of the geographic areas in which manufacturers sourced raw goods, components, and/or manufacture, respondents source one kind (ex. raw goods) than multiple kinds (ex. raw goods + components) in a particular geography. The chart below shows the breakdown per geography of how many respondents reported 1, 2, or all 3 types being sourced from each area.



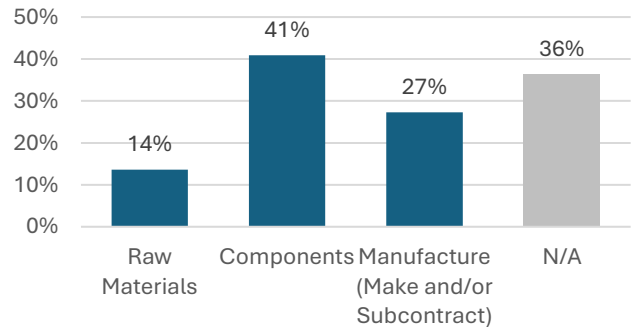
The following chart shows the percent of respondents who source either raw goods, components, and/or manufacture in each geographic area (excluding those who do not source in that area). Since one may do more than one type of sourcing (ex. raw goods + components), the % per area may exceed 100%. This chart may be better viewed as seeing the overall picture of how manufacturers engage with each of the areas.



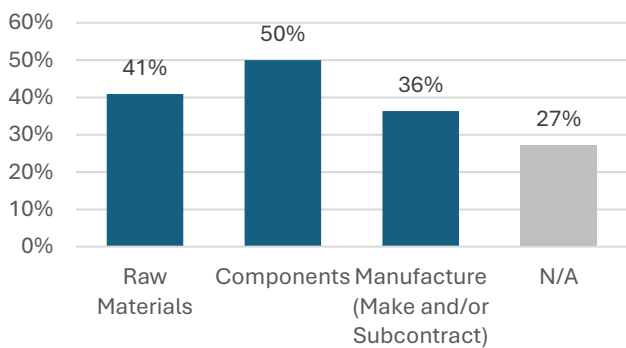
Respondents Who Predominantly Source Raw Goods, Components, and/or Manufacture in **China**



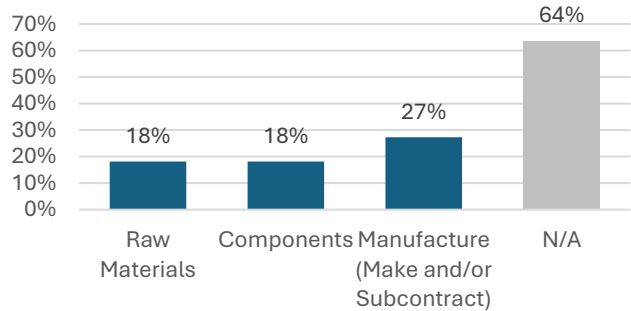
Respondents Who Predominantly Source Raw Goods, Components, and/or Manufacture in **Asia (Excluding China)**



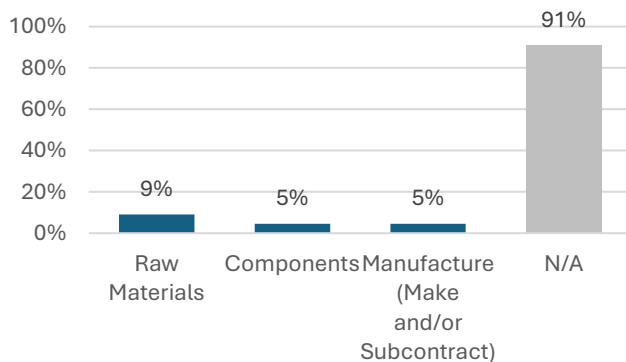
Respondents Who Predominantly Source Raw Goods, Components, and/or Manufacture in the **United States**



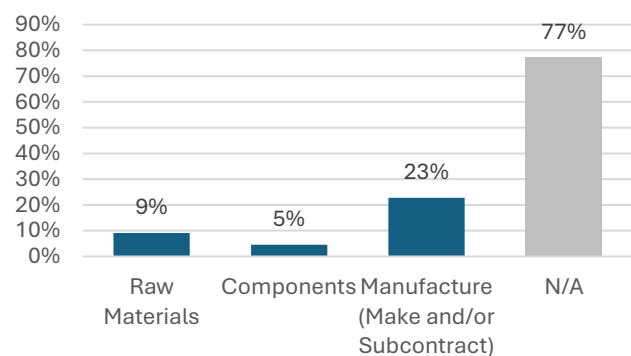
Respondents Who Predominantly Source Raw Goods, Components, and/or Manufacture in **Canada and/or Mexico**



Respondents Who Predominantly Source Raw Goods, Components, and/or Manufacture in **Central America**

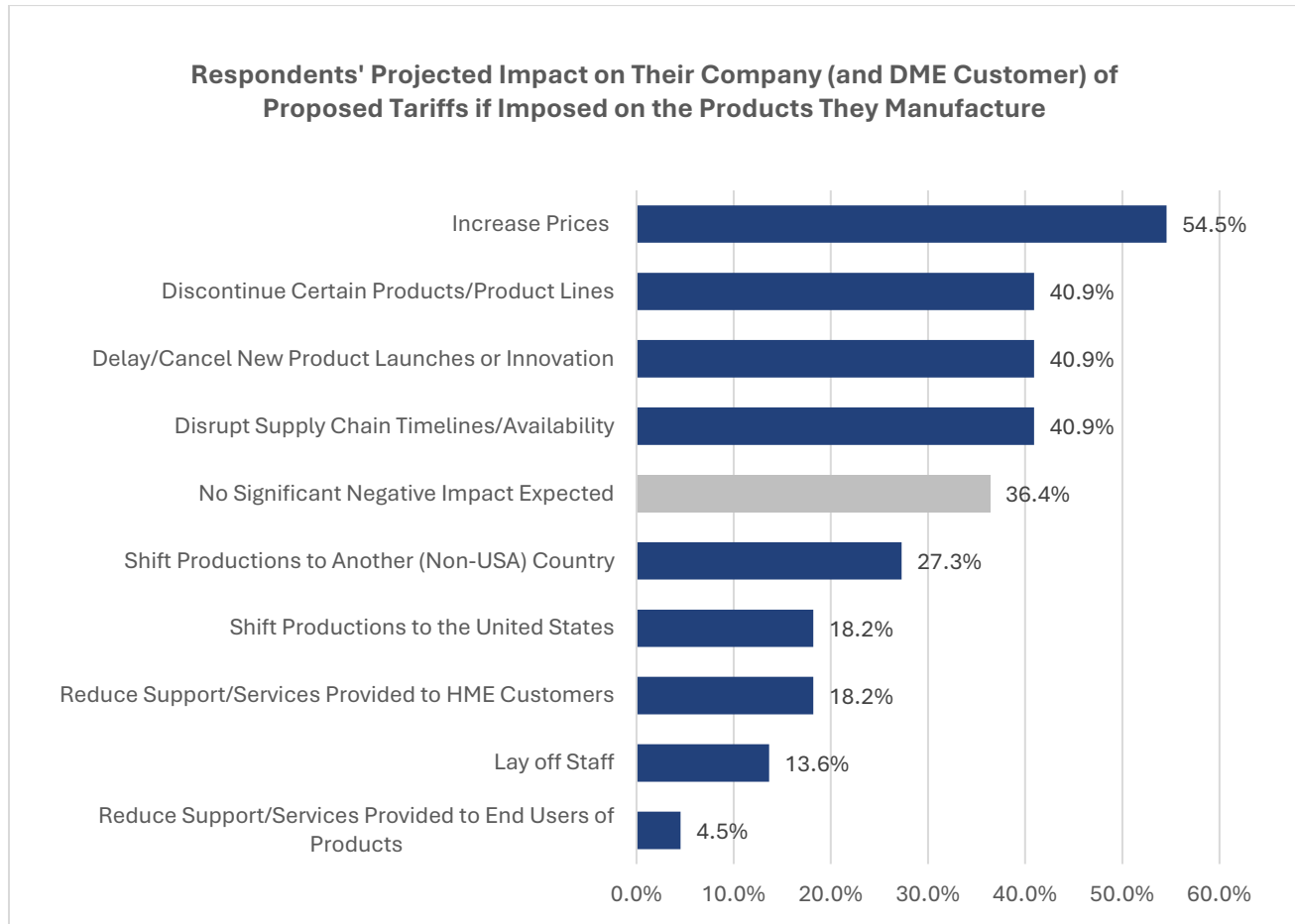


Respondents Who Predominantly Source Raw Goods, Components, and/or Manufacture in **Europe**



IMPACT OF PROPOSED TARIFFS

Respondents reported various impacts that the proposed tariffs could have on their company, and by extension, their DME customers. Most notably, it would increase prices and affect product availability.



Significant Impact of Proposed Tariffs

Several respondents shared how *proposed* tariffs would impact their business; some also shared how *current* tariffs are already impacting their business.

- **Respondent #1:** “We have decided to discontinue some lower revenue products. and for other products we will issue price increases.”
 - **Current Tariff Impact Response:** “We have had to source other raw material suppliers. It's also made it very difficult to import due to increased scrutiny from customs officers.”
- **Respondent #2:** “We are in preparation of winding down operations. The market won't support the price levels required to stay afloat. There is no way we can transfer manufacturing to the US.”
 - **Current Tariff Impact Response:** “We are looking at ways to exit the market. We won't be able to continue when we run out of inventory.”
- **Respondent #6:** “Our tariffs have increased from 28% to 145% on 90% of the products we contract manufacture in China. The price increases we are considering will make our products too expensive for the US market. We are slowing our container traffic in hopes of relief from the tariffs, but this action will most certainly cause backorders of some items.”
 - **Current Tariff Impact Response:** “We are seeing lower profits and slower sales growth.”

- **Respondent #9:** “We have no choice but to depend on foreign made [PRODUCT REDACTED] to even make the slim margins that we make from low reimbursements. There is not an America made [PRODUCT REDACTED] manufacturer whose cost is lower than our reimbursements. All of the major [PRODUCT REDACTED] brands are made in Asian countries.”
- **Respondent #10:** “We were ready to begin production of our new product line and place our first order. Then the tariffs hit and everything stopped. We will begin production as soon as the tariffs stop or get reduced. We tried to get manufacturing done in the US but no factory would produce our devices.”
 - **Current Tariff Impact Response:** “Shut down/ delayed.”
- **Respondent #15:** “Tariffs are paid at the moment of passing customs so the impact is severe in terms of cash. Price increases help but there is significant float time from payment to A/R receipt. This will result in a reduction of product flow into our DCs - leading to allocation, SKU rationalization, new product development suspension, and longer lead times from factory to DC.”
 - **Current Tariff Impact Response:** “Cash impact. We have suspended procuring a number of items until the dust settles and the reciprocal tariff is finalized. At 145%, bringing the product in is untenable.”

Insignificant Impact of Proposed Tariffs

Notably, of the 36% of respondents said it would not impact them, several also marked that it would affect them in one of the other ways listed but that the majority of their product line would not be affected in the near term (ex. Nairobi protocol, USMCA agreement, or USA manufacturing). For the analysis, the chart above also includes the other impact topics they had selected in addition to their selection of no significant impact.

Of those who said it wouldn't significantly impact them but had also selected other categories of impact, here are the narrative answers:

- **Respondent #5:** “I believe we will get a special exemption from Tariffs under the Nairobi Protocol exemption and USMCA exemption. In case we don't: In the short term, I would expect to increase prices and have disruption for our supply chain. In the longer term we might delay new product launches. shift manufacturing to the US or elsewhere.” *[Also selected “Delay/Cancel New Product Launches or Innovation”, “Disrupt Supply Chain Timelines/Availability”, “Shift Productions to the United States”, and “Shift Productions to Another (Non-USA) Country”]*
- **Respondent #13:** “The majority of our [PRODUCT REDACTED] products are manufactured at our plants in [STATES REDACTED]. We recently moved production of our [PRODUCT REDACTED] from Greece to [STATE REDACTED] and are moving our [PRODUCT REDACTED] from our plant in Spain to [STATE REDACTED]. These changes were planned well in advance of the tariff talks. We currently make two sizes of our [PRODUCT REDACTED] in China but are looking to move these to Greece to avoid potential tariffs. We also make some low end [PRODUCT REDACTED] in China and could possibly see an increase on these, but it won't impact our [STATE REDACTED] dealers. [COMPANY REDACTED] only offers a [NUMBER REDACTED] count on our [PRODUCT REDACTED] and therefore we don't sell many of these in the state.” *[Also selected “Shift Productions to the United States” and “Shift Productions to Another (Non-USA) Country”]*
- **Respondent #14:** “Tariffs are only on the "cost of goods" and our cogs are fairly low. A 10% tariff would not increase the overall price of our products by a significant amount. At first we would probably absorb the costs, hoping the tariff situation was temporary but over time we would eventually have to pass the costs onto our DME customers.” *[Also selected “increase Prices”]*

- **Respondent #20:** “75% self-mfg in USA. [PRODUCT REDACTED] covered under Nairobi Protocol.”
[Also selected “Discontinue Certain Products/Product Lines”]

Additionally, two respondents wrote that the proposed tariffs would have no significant impact and did *not* also select another impact point. One didn’t provide additional context, but **Respondent #16** said, “We are a true USA manufacturer with a real assembly line in [STATE REDACTED]. No Tariff concerns.”

IMPACT OF PROPOSED TARIFFS ON END USER ACCESS TO CARE

A few of the respondents opined on what impact the proposed tariffs would have on end user access to care; the primary theme of responses was around reduced access. Of those who anticipate an impact:

- **Respondent #1:** “Increased prices and some products no longer being available.”
- **Respondent #5:** “Every cost imposed on the supply chain is a cost ultimately borne by the end users and payers, so increased tariffs on the supply chain ultimately turn into higher prices, which can mean less access to services (too expensive), lower production quantities, higher denial rates by payers, or the like.”
- **Respondent #9:** “Patients would have to settle for a cheap generic [PRODUCT REDACTED] we can offer them instead of the major brand they want.”
- **Respondent #10:** “They wouldn't have access to our device.”
- **Respondent #6:** “Lower compliance for [PRODUCT REDACTED] patients who use [PRODUCT REDACTED] products we manufacture.”
- **Respondent #14:** “Since the government, through Medicare and Medicaid programs insures for more than half of all the end users in this category, it's a weird situation. Especially since many end users have a fixed income. At first DME customers would see a decrease in margins but eventually they would have to have increased insurance rates or pass cost onto end users.”
- **Respondent #15:** “Out of stocks and cost increases will find there way to the patient level in some way.”