

COST INCREASES AFFECTING WOUNDCARE SUPPLIES

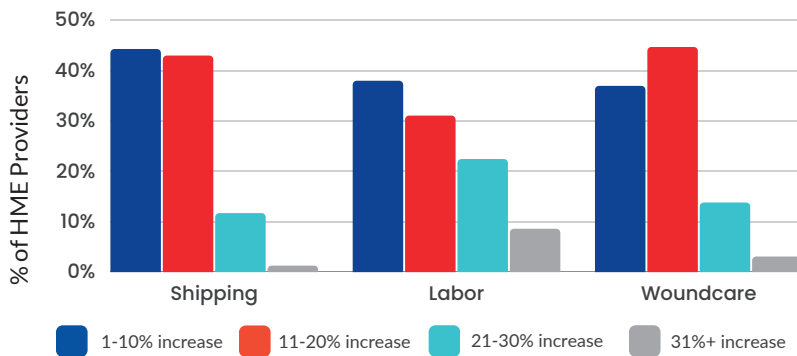
Current reimbursement rates for woundcare supplies fail to factor the increased costs and *must be addressed to preserve access to care*

POTENTIAL IMPACT ON HME PROVIDERS:

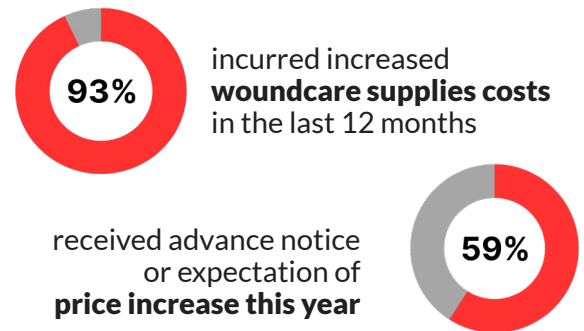
- Up to 20%+ increased shipping costs
- Up to 20%+ increased labor costs
- Up to 20%+ increased cost of goods

86% REPORT NO PAYER RATE INCREASES
Excluding Medicare CPI-U Adjustment

Percent of Increased Costs for HME Providers of Woundcare Supplies¹



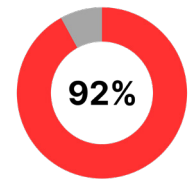
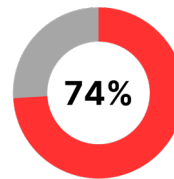
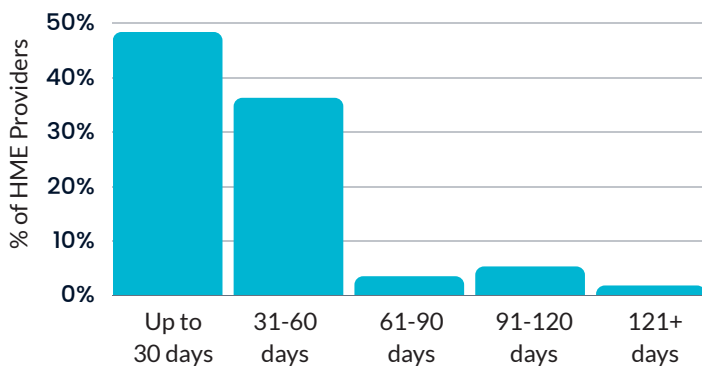
HME PROVIDERS' COST INCREASES FROM MANUFACTURER/DISTRIBUTOR¹



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



83% experienced supply chain disruption in the last 12 mo.

66% ship the majority of woundcare supplies directly to end users

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

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

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

37%
fewer HME Providers nationwide since 2013²

Unsustainable Reimbursement Can Jeopardize Patient Access to Care