SUPPORT DELAY OF INCLUSION OF OSTOMY AND UROLOGICAL SUPPLIES IN THE MEDICARE COMPETITIVE BIDDING PROGRAM

Position

Congress must require the Centers for Medicare and Medicaid Services (CMS) to delay the inclusion of ostomy and urological supplies in the Medicare Durable Medical Equipment Prosthetics Orthotics and Supplies (DMEPOS) Competitive Bidding Program (CBP). Including these supplies in the CBP would significantly diminish the number of unique products available to meet beneficiaries' distinct needs and would compromise patient health and safety while failing to achieve cost-savings goals. Congress must pass legislation to delay inclusion of these medical supplies so that CMS can conduct a demonstration and implement measures for future bid programs that ensure that beneficiaries can continue to access the most medically appropriate urological and ostomy supplies.

United Ostomy Associations of America, Inc. **strongly supports** delaying inclusion of ostomy and urological supplies in the CBP to ensure healthcare professionals' prescribed treatment plans are not disrupted and prevent unnecessary patient harm. Access to the right product, at the right time, matched to the individual's needs is not optional. It is essential.

Background

Under the Medicare DMEPOS CBP, durable medical equipment (DME) suppliers compete for a limited number of contracts to serve Medicare beneficiaries residing in competitive bid areas through an auction program that awards contracts to those with the lowest bid amounts, resulting in a dramatic reduction in competition in the market.

In November 2025, the Centers for Medicare and Medicaid Services (CMS) released a Final Rule (CMS-1828-P) and Press Release stating that CMS will, *for the first time*, include urological and ostomy supplies in the Medicare CBP. CMS also stated it will include ostomy supplies and urological supplies in national "remote item delivery" CBPs, resulting in only 6 DME suppliers to provide ostomy supplies, and 5 DME suppliers to provide urological supplies to all beneficiaries across the country.

Prescribed ostomy and urological products are used to manage medical conditions that interfere with or do not allow for normal bowel and/or bladder function. These product categories are broad and extremely complex; and the supplies are medically necessary for about 1.5 million Americans who have compromised bowel and/or bladder functions. An ostomy, which can include a colostomy, ileostomy, and urostomy, is a surgical opening (stoma) in the body by which fecal matter and urine are emptied into a pouch. Urinary incontinence is the involuntary leakage of urine; supplies include catheters which are inserted into the urethra to drain the bladder. The complexity and uniqueness of products is needed to carefully select and meet the distinct and highly variable needs of each patient to appropriately manage biological waste. Most patients cannot interchange prescribed products without medical consequences.

Medicare covers ostomy and urological supplies under the Prosthetics Device benefit (LCD Ostomy Supply Policy A52487 and LCD Urological Policy A52521).

Why Congressional Oversight Is Needed To Protect Medicare Beneficiaries Who Use These Supplies

➢ Both ostomy and urological supplies restore the lost functions of waste storage and elimination. They are legally and clinically defined under the Social Security Act as prosthetics[1]. Prosthetics are not an appropriate product for the competitive bidding process. By including these medical supplies CMS has exceeded its statutory authority under the Social Security Act (SSA), which limits CMS to only include the following items in the CBP[2]: durable medical equipment (dme) under SSA §1834(a); parenteral and enteral nutrients, equipment, and supplies; off-the-shelf orthotics under SSA §1861(s)(9).

➢ These supplies are highly individualized and prescribed by medical professionals to address a Medicare beneficiary's tailored medical needs, not a one-size-fits-all, off-the-shelf, or over-the-counter generic commodity product. These intimate and personal products are designed to be placed inside the body or play a critical role in how the body functions.

➢ Ostomy products are not easily interchangeable. Every individual's needs are different. For example stoma type and size, skin condition, body shape, and lifestyle must be taken into consideration. It is essential that each person be able to access the products that are compatible with their unique needs. Commoditized, low-margin pricing will reduce innovation and incentivize suppliers to seek the lowest-cost products, minimizing consumer choice and access to the most medically appropriate item.

➢ Changes, such as inappropriately sized products, to an individual's prescribed pouching system for non-medical reasons – such as restricted access to products due to decreased product variation - can lead to medical consequences such as severe skin damage, life-threatening infection and illness which can be difficult to heal, resulting in hospitalization and increased health care costs related to use of products not aligned with the individual patient's physiology .

➢ These products require a health care professional's ongoing services for selection, fitting, training on use, adjustment, and to address health care conditions and clinical complexities that arise. Unlike other medical supplies that are currently in the competitive bidding program, ostomy supplies are not used with other durable medical equipment but rather function on their own, replacing a bodily function.

➢ Inclusion in the CBP would restrict patients to a limited number of suppliers leading to reduced access and lower quality products jeopardizing their ability to effectively manage their ostomy and/or urological needs. Competitive bidding could force specialized suppliers with expertise to support vulnerable patient cohorts out of the market.

➢ A 2004 evaluation and report by the U.S. Department of Health and Human Services[3] concluded that urological supplies were not well-suited for competitive bidding. In this report, Medicare concluded that "quality may suffer" and ostomy and urological supplies present little competitive potential and limited savings potential on a small dollar base on Medicare expenditures.

➢ Effective January 1, 2026, CMS established new and separate HCPCS codes for hydrophilic intermittent catheters and revised its coverage policy for these items. Consequently, CMS will not have accurate utilization data to provide bidders. Without accurate utilization data, CMS will not be able to identify the lead item, and bidders will not have accurate information to submit their best bids.

Ask

We ask that Congress pass legislation to delay inclusion of these medical supplies so that CMS can conduct a demonstration and implement measures, such as beneficiary protections and recommendations from a technical expert panel, that ensure beneficiaries can continue to access the most medically appropriate ostomy and urological supplies.

[1]Title XVIII, §1861 (s)(8) of the Social Security Act defines prosthetics as those, which replace all or part of an internal body organ, including colostomy bags and supplies directly related to colostomy care, and replacement of such devices.

[2]Title XVIII, §1847 (a)(2) of the Social Security Act

[3]Final Report to Congress: Evaluation of Medicare's Competitive Bidding Demonstration for Durable Medical Equipment, Prosthetics, Orthotics and supplies; 2004; Office of the Secretary, Department of Health and Human Services.