MEDICARE COMPETITIVE BIDDING OF OSTOMY SUPPLIES

FAQS FOR ADVOCATING WITH CONGRESS

UOAA United Ostomy Associations of America, Inc.
ostomy.org

BACKGROUND

The Centers for Medicare & Medicaid Services (CMS) is poised to include ostomy and urological supplies in Medicare's Competitive Bidding Program (CBP) with an implementation date of January 1, 2028.

The CBP, created by Congress, was intended to be for off-the-shelf, non-customized products (hospital beds, wheelchairs, etc). We believe ostomy and urological supplies should be excluded. Competitive bidding could limit access to the specific products individuals need, increasing the risk of leaks, odor, skin complications, and reduced quality of care.

A bipartisan bill "The Access to Medical Supplies Act" (**H.R. 10787**) will exclude these supplies while patient and business concerns are seriously considered as well as establish safeguards to protect beneficiary access to their supplies.

FREQUENTLY ASKED QUESTIONS

What is the Administration doing to change Medicare payment for ostomy supplies?

Under CBP they are going to be using a new nationwide Remote Item Delivery (RID) model. Instead of the current broad supplier market (over 800), Medicare generally would pay only a limited number of contracted suppliers for competitively bid ostomy items. CMS announced it plans to set up just 6 ostomy contracts nationwide. Beneficiaries will have to order their supplies from one of the in-network suppliers in order to get coverage. Contracts and new payment amounts are scheduled to take effect no later than January 1, 2028.

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What does "RID" mean in plain English?

RID turns the entire United States, territories, and District of Columbia into one competitive-bidding area for these products. Winning suppliers must be able to furnish the full ostomy product category nationwide, primarily through delivery or shipment. A beneficiary may pick up an item locally only when the location is owned by, or operates as a subcontractor of a contract supplier.



Why are ostomy products different from ordinary commodity medical supplies such as a walker?

Ostomy products replace a lost bodily function and must be matched to an individual's stoma, skin, body shape, dexterity, lifestyle, and clinical needs. Pouches, barriers, adhesives, rings and accessories are not uniformly interchangeable. UOAA's **2026 survey** about access to supplies found that 96% rated their current supplies good or excellent, 68% chose them to prevent medical problems, and 61% had tried alternatives that did not uniformly work well.



What could this mean for patients and product choice?

Patient advocates are concerned that concentrating Medicare purchasing among a handful of national suppliers could narrow the products and brands that are readily stocked. CMS requires contract suppliers to furnish all items in the category and has physician-authorization protections, but the practical concern is whether every clinically appropriate product will remain readily available at the right time without a delay for daily use products. In UOAA's **2026 survey**, 38% of Original Medicare respondents used products from multiple manufacturers to support daily use.

FREQUENTLY ASKED QUESTIONS

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What happens when a patient has to switch products for a non-medical reason?

The concern is clinical, **not** individual preference. Without access to prescribed ostomy products, individuals can face severe skin complications, leakage, a doctor or nurse visit for complications, and hospital stays from significant health consequences. Poor fit can contribute to leakage, skin breakdown, infection and other complications. In a 2024 UOAA **survey** on non-medical switching 64% responded that their ostomy care had been negatively impacted by the product switch, which included the need to visit an MD or the emergency room.

Why could the bidding structure disadvantage small specialty suppliers?

Small community ostomy suppliers are not currently able to meet the terms needed to compete under competitive bidding and business closures are a significant concern for many of these multi-generation, family-owned and operated, community-based businesses.

How does the lead item bidding system work - and why does it matter?

There are multiple products with different functions under the current one hundred (100) Medicare ostomy HCPCS codes. CMS has designated HCPCS A4385 (skin barrier) as the lead item which has 92 products under it. A supplier submits one composite bid for that lead item, but the bid is supposed to reflect the cost of furnishing every item in the ostomy category. CMS then uses that lead-item price to calculate payment for the other ostomy codes through fixed relative ratios. A single pricing mechanism may not fully reflect the very different acquisition costs and clinical value of hundreds of specialized products and that the six in-network suppliers will not carry every product under each HCPCS code.



Why was an accessory chosen as the lead item?

The regulatory requirement is that the lead item be the code with the highest total nationwide Medicare charges in the product category. This doesn't necessarily mean it's the most expensive singular item but that it is the item with overall highest charges in the time period assessed.

How could competitive bidding affect future product innovation?

The concern is economic: if reimbursement is compressed across a broad category and suppliers have stronger incentives to minimize acquisition cost, manufacturers may face less market reward for developing higher-cost improvements in barriers, adhesives, pouch design, skin protection and other features.



Won't competitive bidding save Medicare and taxpayers money?

CMS expects competitive bidding to lower Medicare Part B payments and beneficiary cost sharing. Patient advocates argue that the relevant question is total cost of care, not simply the purchase price of supplies. If reduced access to an appropriate product causes leakage, skin injury, infection, clinician visits, emergency care or hospitalization, downstream spending could offset supply savings. A 2004 HHS evaluation concluded that urological supplies were not well suited to competitive bidding and cited limited savings potential; advocates argue similar individualized-access concerns apply to ostomy supplies.

What happens to a patient's current supplier in 2028?

Unless the current supplier wins a contract , Medicare will not pay them for competitively bid ostomy items beginning in Round 2028. The six-month transition period (Jan. 1–June 30, 2028) is a documentation grace period for contract suppliers, not an extension for non-contract suppliers. By July 1, contract suppliers must obtain required documentation from the previous supplier, or the beneficiary will need a new order.

What are advocates asking Congress to do?



➔ Become a Co-Sponsor of H.R. 10787
➔ Pass The Access to Medical Supplies Act (**H.R. 10787**)

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