



Monday, May 23, 2022

Medicaid Program Director,

As the supply chain disruption continues to affect the global market, the health care community is facing challenges that threaten to impede patient access to care. We write to raise an important issue affecting those who require incontinence supplies (diapers, briefs, pull-ups, pads, etc.) to manage their health conditions at home. Current reimbursement for incontinence supplies fail to factor the increased costs as described in this letter and must be addressed to preserve access to care.

The American Association for Homecare (AAHomecare) represents a broad spectrum of manufacturers, providers, and distributors of medical equipment and related products, including durable medical equipment (DME) and supplies used principally in home-based settings. Our association works collaboratively with federal and state regulatory agencies, Medicaid programs, and payers. We strive to provide a platform for collaborative discussions that create positive outcomes for patients, insurance carriers, providers, manufacturers, and distribution companies.

The pandemic has caused a significant global strain on the supply chain and marked a dramatic increase in costs suppliers incur for products, shipping (the primary delivery model), operations, and personnel. A nationwide incontinence supplier survey conducted March 2022 revealed significant cost increases and more than 3 in 4 companies having backorders on incontinence products. Please refer to the enclosed document for additional details.

Unlike other sectors, suppliers are constrained by pre-determined pricing structures that fail to factor the new cost realities of providing incontinence supplies, forcing many suppliers to operate at a loss. Manufacturers and distributors acknowledge that the supply chain pressures will continue for the foreseeable future, likely well into 2023 and beyond.

Without immediate intervention, it is cost-prohibitive for suppliers to continue providing incontinence supplies to those who need it to safely manage their medical conditions. Nearly 1 in 3 DME companies have closed their doors since 2013. A disruption in access to incontinence supplies could lead to adverse health outcomes including wounds, skilled facility admissions, and significant expenses to the health care system as well as quality of life issues and poor member satisfaction.

We respectfully request that you work with the DME stakeholder community to reassess Medicaid reimbursement rates for incontinence supplies to prevent disruption in access to care. We welcome the opportunity to meet with you to discuss the issue further and discuss how we can support your recipients and communities. Thank you for your consideration!

Sincerely,

A handwritten signature in cursive script that reads "Laura L. Williard".

Laura Williard

Vice President, Payer Relations

American Association for Homecare