



The Supplier and Manufacturer Impact of Competitive Bidding for Ostomy and Urological Supplies

Background – In December 2025, the Centers for Medicare and Medicaid Services (“CMS”) released a Final Rule (CMS-1828-P) stating that CMS will, for the first time, include urological and ostomy supplies in the Medicare Bidding Program (“CBP”). CMS also stated it will include urological and ostomy supplies in a national “remote item delivery” (“RID”) CBP, resulting in only seven DME suppliers to provide ostomy supplies, and eight DME suppliers to provide urological supplies to all beneficiaries across the country.

The Issue – From the supplier and manufacturer perspective, competitive bidding is a fundamentally flawed approach for ostomy and urological supplies. These products are clinically complex, highly individualized, and require sustained investment in quality, innovation, education, and logistics. A lowest-price bidding model destabilizes the supply chain, discourages innovation, and undermines the specialized infrastructure necessary to safely serve Medicare beneficiaries, which raises questions about CMS’s authority to expose this benefit to competitive bidding.

The Role of Suppliers and Manufacturers in Patient Care

Suppliers and manufacturers of ostomy and urological products are not commodity vendors. They not only provide ongoing research, development, and product innovation, but also rigorous quality assurance and regulatory compliance; clinical education and training for providers and patients; inventory management and rapid fulfillment of patient-specific supplies; and technical support, troubleshooting, and post-market surveillance. Competitive bidding threatens the sustainability of these essential functions.

Competitive Bidding Harms the Supply Chain and Patient Access

Competitive bidding shifts reimbursement rates below the true cost of delivering safe, high-quality ostomy and urological care. Manufacturers face reduced margins that limit their ability to invest in product development, quality improvements, and new technologies designed to prevent complications such as leakage, skin breakdown, and infection. Over time, this discourages innovation and narrows product offerings, reducing options for patients and clinicians.

For suppliers, competitive bidding creates operational instability by rewarding lowest-price bids rather than clinical capability or service quality, especially under a RID system. Specialized suppliers that invest in trained staff, patient education, inventory breadth, and rapid response are disadvantaged relative to low-service, mail-order distribution models. As a result, experienced suppliers may exit the Medicare market, leading to access gaps, delayed deliveries, and reduced support for complex patients at the local level—particularly in rural and underserved areas.

Competitive bidding also increases supply chain fragility. Ostomy and urological products require reliable manufacturing, warehousing, and distribution systems to ensure consistent access to the exact products patients depend on. Price compression limits redundancy and inventory capacity, increasing the risk of shortages, substitutions, and disruptions that directly impact patient health and provider workflows.



We Ask Congress To:

- ✓ Direct CMS to exclude ostomy and urological supplies from the Medicare CBP to avoid destabilizing the U.S. supply chain and undermining the specialized infrastructure necessary to safely serve Medicare beneficiaries by:
 - Signing-on to Congressional Letter to Dr. Oz to exclude these benefits from the Medicare CBP.
 - Co-sponsoring H.R. XXXX/S.XXXX