

DMEPOS Competitive Bidding Program

What HME suppliers need to know about the 2026 restart – and what's fundamentally changing.



● FINAL RULE EFFECTIVE
JAN 1, 2026

● BIDDING WINDOW OPENS
LATE SUMMER/FALL 2026

● CONTRACTS TAKE EFFECT
JAN 1, 2028

PROGRAM OVERVIEW

What Is the Competitive Bidding Program?

The CMS Competitive Bidding Program (CBP) uses a market-based process to set Medicare payment amounts for durable medical equipment and supplies. Suppliers submit bids to serve beneficiaries in defined Competitive Bidding Areas (CBAs). CMS sets a Single Payment Amount (SPA) from winning bids – and only contract suppliers may bill Medicare for covered DMEPOS items in a CBA. Everyone else is locked out of that revenue.

~\$5B

Estimated annual Medicare savings from the program

130+

Competitive Bidding Areas (metro MSAs) nationwide

38-72%

Historical SPA savings vs. fee schedule, by category

SUPPLIER STAKES

What the Restart Means for HME Suppliers



Win a Contract, Win the Market

Contract suppliers gain exclusive access to Medicare FFS volume in each CBA – and the market share that comes with it.



No Contract, No Billing

Non-contract suppliers cannot bill Medicare for competitive bid items within CBAs. Revenue loss can be immediate and significant.



Lower SPAs = Tighter Margins

The new 75th percentile methodology is expected to drive payment rates below past rounds, increasing pressure on operations and cost structure.

WHAT'S NEW

2026 Final Rule: Key Changes

The CY 2026 Final Rule (published Nov. 28, 2025) doesn't just restart competitive bidding – it rewrites the rules. CMS received over 950,000 public comments but largely held firm. Industry groups continue lobbying for delay.

SPA METHODOLOGY

New Payment Calc: 75th Percentile

SPAs now set at the 75th percentile of winning bids, replacing the prior clearing price model. Expect lower payment rates and more consistency across CBAs.

PROGRAM STRUCTURE

Nationwide Remote Item Delivery (RID)

The next round is structured as a nationwide RID CBP – broader than prior mail-order models. Both mail-order and non-mail-order delivery are included.

NEW CATEGORIES ADDED

CGMs, Insulin Pumps & More

New product categories entering CBP for the first time:

- Class II CGMs
- Insulin Pumps
- Urological Supplies
- Ostomy Supplies
- OTS Braces (recompete)

ACCREDITATION

Annual Re-Accreditation Required

Suppliers must be surveyed and reaccruited every year – up from the prior 3-year cycle. Effective for all next round participants.

CONTRACT LIMITS

Fewer Contracts, Concentrated Awards

Capped at 125% of suppliers with ≥3% national volume. Estimates: -10 for CGMs, -8 urological/ostomy, -6 OTS braces, -4 back braces.

BIDDING PROCESS

Streamlined via Connexion Portal

All bidding consolidated into Connexion. Reduced financial documentation required. Annual inflation adjustments may apply mid-contract.

NEXT ROUND IMPLEMENTATION TIMELINE



ELIGIBILITY

Key Requirements to Compete in 2026

- Medicare-enrolled and in good standing – no outstanding overpayments or program exclusions
- Accredited by a CMS-approved organization; prepared for annual re-accreditation under new rules
- Holding applicable state licenses for all product categories being bid
- Able to demonstrate volume delivery capacity through referral and network adequacy documentation
- Registered and submitting bids through the new Connexion portal
- Prepared to provide financial documentation showing operational readiness to serve

In a competitive bidding environment, market intelligence is the difference between winning a contract and being shut out. Trella Health gives DME suppliers the data to bid confidently – and grow strategically regardless of the outcome.

Model Your Market Before You Bid

Quarterly-refreshed Medicare claims data lets you forecast HCPCS code trends, model market share shifts, and run what-if scenarios to sharpen your bid price before the window opens.

Prove Volume Delivery to CMS

Build compelling capacity narratives backed by concrete referral commitment data, network adequacy metrics, and documentation that satisfies CMS requirements.

Identify White Space & Out-Compete

Detailed competitor market share analysis helps you pinpoint underserved CBAs and categories where you can bid aggressively and win.

Diversify If You Don't Win

Insights into Medicare Advantage, Medicaid, and commercial payers give you a clear pivot strategy – so a lost bid doesn't mean lost growth.

