Reaction to CMS proposed rule change

2 July 2025

Coloplast notes the proposed rule change issued by the CMS and will engage with the authorities during the commenting period.

On 30th of June, the Centers for Medicare and Medicaid Services announced a proposed rule, which, among other, included an update on the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP).

In the document, the authorities propose that medical equipment such as ostomy, tracheostomy, and urological supplies (which covers catheters and catheter supplies), be included in the list of items CMS may subject to the DMEPOS CBP. This means that the categories are considered to be eligible for CBP, but it does not necessarily mean that they will be subject to CBP.

Potential implementation of a CBP for our categories is expected to have an impact on the entire supply chain. Given the complexity of the matter and the US market, we are unable to provide an estimation of potential financial impact at this point in time.

As a next step, Coloplast will work together with industry associations and provide comments on the document. The deadline for providing comments is set for 60 days from now. We expect a final decision to be published in late 2025.

While there is no timeline laid out in the document, we expect any potential changes to take effect at the earliest in 2027 based on internal assessment.

The total US business accounted for around 24% of sales in FY 2023/24 (which also includes IU and Advanced Wound Care; for business area split by region, please see our Annual Report: <u>Annual Report 2023/24</u>).



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Coloplast was founded on passion, ambition, and commitment. We were born from a nurse's wish to help her sister and the skills of an engineer. Guided by empathy, our mission is to make life easier for people with intimate healthcare needs. Over decades, we have helped millions of people to live a more independent life and we continue to do so through innovative products and services. Globally, our business areas include Ostomy Care, Continence Care, Advanced Wound Care, Interventional Urology and Voice and Respiratory Care.

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