DME Nationwide Moratorium Q&As

Q1: What is a moratorium?

A1: A moratorium is a temporary suspension or halt on the enrollment of new providers or suppliers in specific categories or geographic areas. CMS implements moratoria (plural form of moratorium) as a program integrity measure to prevent fraud, waste, and abuse (FWA) by stopping the enrollment of new providers in areas or categories where there is a significant potential for FWA.

Q2: What is the legal authority for implementing a moratorium?

A2: Consistent with section 1866(j)(7) of the Act, 42 CFR §424.570(a)(2) permits CMS to impose a temporary moratorium on newly enrolling Medicare providers and suppliers if, among other things, CMS determines that there is a significant potential for FWA with respect to a particular provider or supplier type, or geographic location(s), or both.

Q3: What supplier types are covered by this moratorium?

A3: Beginning on the effective date of the moratorium, no new DMEPOS suppliers of the following types will be enrolled into Medicare:

- Medical Supply Company,
- Medical Supply Company with Orthotics Personnel,
- Medical Supply Company with Pedorthic Personnel,
- Medical Supply Company with Prosthetics Personnel,
- Medical Supply Company with Prosthetic and Orthotic Personnel,
- Medical Supply Company with Registered Pharmacist, and
- Medical Supply Company with Respiratory Therapist

Q4: Has CMS ever used this authority?

A4: Yes. CMS imposed and extended a number of moratoria between 2013 and 2018. These applied to, at various times, home health agencies (HHAs) and ground ambulance suppliers. They were statewide or local in nature; for instance, states such as Florida, Michigan, Texas, and New Jersey had moratoria as did localities like Harris County (TX) and Broward County (FL). These moratoria also applied to Medicaid. The last moratorium expired in 2019.

Q5: How are moratoria announced and communicated?

A5: CMS typically announces moratoria through:

- Federal Register notices - https://www.federalregister.gov/.
- CMS.gov website announcements - https://www.cms.gov/medicare/enrollment-renewal/providers-suppliers/chain-ownership-system-pecos/provider-enrollment-moratoria
- Communication from Medicare Administrative Contractors (MACs) and DME National Provider Enrollment (NPE) contractors

- MLN Connects newsletter – subscribe at https://public.govdelivery.com/accounts/USCMS/subscriber/new?pop=t&topic_id=USCMS_7819.
- Industry stakeholder notifications

Q6: Can providers/suppliers appeal or request exceptions to the moratorium?

A6: Providers/suppliers may use the existing appeal procedures at 42 CFR Part 498 to administratively appeal a denial of billing privileges based on the imposition of a temporary moratorium, however the scope of any such appeal would be limited solely to assessing whether the temporary moratorium applies to the provider/supplier appealing the denial.

CMS' regulations do not permit exceptions to a moratorium for individual providers or suppliers.

Q7: How long does a moratorium typically last?

A7: Moratoria are implemented for six months. They can be extended for additional six-month periods if necessary. Extensions are announced through a Federal Register (FR) notice. The lifting of the moratorium will also be announced through an FR notice.

Q8: Does a moratorium affect existing enrolled providers and suppliers?

A8: No. Moratoria typically only affect new enrollment applications. Existing enrolled providers and suppliers can generally:

- Continue to participate in Medicare
- Submit claims for covered services
- Make certain changes to their enrollment information

Under §424.570(a)(1)(iii), a temporary moratorium does not apply to changes in practice locations (except if the location is changing from a location outside the moratorium area to a location inside the moratorium area), changes to enrollment information (e.g., phone number), and some changes in ownership.

Q9: How are changes in ownership impacted by the moratorium?

A9: Under 42 CFR §424.550(b) – and unless an exception applies – an HHA or hospice that undergoes a change in its majority ownership (CIMO) within 36 months after its initial enrollment (or its most recent CIMO) must initially enroll as a brand new provider and undergo a state survey or accreditation. In the 2026 Home Health Prospective Payment System final rule[1], we expanded the "36-month rule" provision (which previously applied only to HHAs and hospices) to include DMEPOS suppliers. This means that unless an exception applies (e.g., the

[1] Medicare and Medicaid Programs; Calendar Year 2026 Home Health Prospective Payment System (HH PPS) Rate Update; Requirements for the HH Quality Reporting Program and the HH Value-Based Purchasing Expanded Model; Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program Updates; DMEPOS Accreditation Requirements; Provider Enrollment; and Other Medicare and Medicaid Policies

prior owner passed away), any change in a DMEPOS supplier's majority ownership within 36 months of its initial enrollment or its most recent CIMO terminates the supplier's enrollment and requires it to initially enroll as a new supplier (and obtain a new accreditation). For this reason, it would be considered a "new supplier" and thus be subject to the moratorium.

Q10: What happens to pending applications when a moratorium is implemented?

A10: In accordance with §424.570(a)(1)(iv), a moratorium does not apply to an enrollment application that has been received by the Medicare contractor prior to the date the moratorium is imposed.

Q11: Can suppliers submit initial enrollment applications during a moratorium period?

A11: Initial enrollment applications submitted during a moratorium will be denied and the application will need to be resubmitted once the moratorium is lifted. Existing providers and suppliers should continue to comply with all changes of information and revalidation reporting requirements. The moratorium only impacts new enrollments and not ongoing compliance obligations.

Q12: How will the moratorium affect Medicaid DMEPOS suppliers?

A12: At this time, we believe it is in the best interest of Medicaid and CHIP beneficiaries across the country to allow each state to decide whether some form of a DMEPOS moratorium is appropriate for their respective Medicaid and CHIP programs, and the scope of any such moratorium. Each state has greater expertise and experience with their pool of DMEPOS provider types, including the requirements for each type of DMEPOS provider, than CMS. Nevertheless, CMS encourages each state to, as appropriate, implement a DMEPOS provider moratorium tailored to the specifics of their beneficiary population, as well as any geographic considerations. Additionally, CMS is offering every state and territory the opportunity to consult with CMS on the prospect of implementing a Medicaid- or CHIP-based or both DMEPOS moratorium in their jurisdictions.