CLIENT ALERTS & INSIGHTS

CMS Issues a Nationwide Moratorium on New Medicare Enrollment of Some DMEPOS Suppliers

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Key Takeaways

- **CMS Implements a Nationwide Moratorium on New DMEPOS Enrollments:** CMS has imposed a six-month nationwide moratorium beginning February 27, 2026, that blocks new Medicare enrollments for certain DMEPOS suppliers as part of its CRUSH initiative.
- **Not all New Supplier Enrollments are Impacted**: The moratorium applies to "Medical Supply Companies", and CMS has clarified that other Medicare enrollees such as pharmacies, grocery stores, inpatient and outpatient providers, home health agencies and nursing facilities are not subject to the enrollment freeze.
- **Limited Impact on Existing Suppliers**: For already enrolled DMEPOS suppliers, the moratorium does not apply to ownership changes that do not require a new enrollment under the 36-month rule or to routine updates such as phone number or address changes.
- **Significant Implications for Transactions Involving DMEPOS Suppliers**: Any asset acquisition resulting in a new DMEPOS supplier location or majority ownership change within 36-month window of initial enrollment or prior change in majority ownership triggers termination of the supplier's enrollment and requires the supplier to complete a new Medicare enrollment. Because new enrollments are blocked under the moratorium, many DMEPOS transactions may need to be restructured or delayed.

CMS Announces Moratorium

On February 25, 2026, CMS announced a nationwide moratorium blocking new Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) supplier enrollments into Medicare.[1] The moratorium began once it was published in the Federal Register on February 27, 2026, and lasts at least 6 months.[2] CMS may elect to extend the moratorium for 6-month-long increments as it deems necessary.

CMS cites a longstanding history of fraud, waste and abuse concerns related to DMEPOS enrollment as its basis for enacting the moratorium. This moratorium is part of a broader CMS'

Comprehensive Regulations to Uncover Suspicious Healthcare (CRUSH) Initiative to strengthen Medicare program integrity.

Impact of the Moratorium

The moratorium will block some new DMEPOS supplier enrollments into Medicare. Existing enrolled providers and suppliers can continue to participate in Medicare, submit claims for covered services and make some changes.[3]

The moratorium will not apply to any of the following:

- Changes in ownership (unless that change in ownership requires a filing of a new initial enrollment under the 36-month rule[4] or the transaction was an asset purchase requiring a new enrollment).
- Changes in information such as a change in phone number or address.
- Changes in practice location (DMEPOS suppliers are individually and separately enrolled meaning enrolling a new location is considered an initial enrollment which will be blocked).

CMS has noted each state will be able to decide whether a DMEPOS moratorium is appropriate for their Medicaid and CHIP programs. CMS has encouraged each state to implement, as appropriate, a DMEPOS moratorium structured to the needs of the state taking into account specific supplier types and geographic considerations.

Affected Suppliers

The moratorium will not apply to all DMEPOS suppliers. The moratorium applies to the seven different categories of "Medical Supply Company" listed below.[5]

- 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
- Medical Supply Company with Respiratory Therapist

CMS defines a Medical Supply Company as a business whose principal function is to furnish DMEPOS supplies (regardless of supply type) directly to another party, such as beneficiaries with a medical order or medical providers and suppliers. To ensure new Medicare enrollment applicants during the moratorium are not Medical Supply Companies, CMS will conduct site visits and perform online research of the businesses. CMS emphasizes that it will be closely screening all new DMEPOS supplier applications and will punish those who try to circumvent the moratorium with denials, reenrollments bars and referral to the Office of the Inspector General for investigation.

CMS has made it clear the moratorium will not apply to all types of Medicare suppliers including, but not limited to, pharmacies, grocery stores, individual inpatient and outpatient providers, home health agencies, and nursing facilities.

Implications for Transactions

The moratorium will limit or alter the timeline of some DMEPOS supplier transactions. Earlier this year, Medicare expanded the 36-month rule for HHA or hospice providers undergoing a change in its majority ownership to apply to DMEPOS suppliers as well. Under the rule, any change in a DMEPOS supplier's majority ownership within 36 months of its initial enrollment or its most recent change in majority ownership terminates the supplier's enrollment and requires it to initially enroll as a new supplier.[6] Similarly, an asset acquisition of a Medicare-enrolled DMEPOS supplier requires a new enrollment. Given the ban on enrollment of new suppliers subject to this moratorium, any transaction involving DMEPOS suppliers that trigger the 36-month rule or otherwise requires a new enrollment will need to reassess how it is structuring any change in ownership or transfer of equity.

Conclusion

Benesch is closely monitoring all developments from CMS-as well as ongoing communications and policy updates from state Medicaid agencies and CHIP programs-to ensure that stakeholders have a clear and comprehensive understanding of the rapidly evolving regulatory landscape. As CMS continues to issue guidance, engage in rulemaking and increase oversight related to the nationwide moratorium and broader Medicare enrollment reforms, we will provide timely, in-depth analysis to help organizations understand how those changes may affect day-to-day operations, long-term strategic planning and compliance obligations. Our team is prepared to support suppliers with readiness planning, risk assessments, evaluation of transactional impacts and review of current enrollment information to address compliance questions arising from the nationwide moratorium or other Medicare enrollment requirements.

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[1] *Trump Administration Prioritizes Affordability by Announcing Major Crackdown on Health Care Fraud*, CMS (Feb. 25, 2026), https://www.cms.gov/newsroom/press-releases/trump-administration-prioritizes-affordability-announcing-m

[2] Medicare, Medicaid, and Children's Health Insurance Programs: Announcement of Nationwide Temporary Moratoria on Enrollment of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Supplier Medical Supply Companies, 91 Fed. Reg. 39, 9855 (Feb. 27, 2026).

[3] *Id.* at 9856.

[4] Earlier this year, Medicare expanded a rule that originally only applied to HHA or hospice providers undergoing a change in its majority ownership within 36 months after its initial enrollment to apply to DMEPOS suppliers as well requiring the submission of a new initial enrollment application.

[5] Medicare, Medicaid, and Children's Health Insurance Programs: Announcement of Nationwide Temporary Moratoria on Enrollment of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Supplier Medical Supply Companies, 91 Fed. Reg. 39, 9859 (Feb. 27, 2026).

[6] *Id.* at 9859-60.