

# PUBLICATION

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## CMS Imposes Six-Month Moratorium on Medicare Enrollment of DMEPOS Suppliers

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The Centers for Medicare & Medicaid Services (CMS) issued a Federal Register notice imposing a six-month nationwide moratorium on new Medicare enrollments for seven types of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) suppliers, effective February 27, 2026. The moratorium is based on CMS's determination, made in consultation with the Department of Health and Human Services (HHS) Office of Inspector General (OIG) and the Department of Justice, that medical supply companies have significant potential for fraud, waste, or abuse.

### Key Aspects of the Moratorium

#### Scope of Moratorium

Who is Affected. The moratorium prohibits new Medicare enrollments by any entity seeking to enroll as one of the seven medical supply company types listed below. This includes both: (1) prospective suppliers seeking to newly enroll in Medicare as a medical supply company; and (2) currently enrolled medical supply companies that need to submit a new initial enrollment application, such as when opening a new practice location or following certain changes in majority ownership. Currently enrolled medical supply companies that do not need to submit a new initial enrollment application may continue to make other changes to their enrollment information, and operate and bill Medicare normally.

Covered Supplier Types. The moratorium applies to the following seven "medical supply company" types:

- 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.

For purposes of the moratorium, a "medical supply company" is "a business whose principal function is to furnish DMEPOS supplies (regardless of supply type) directly to another party, including, but not limited to: (1) beneficiaries with a medical order (for example, via mail order); (2) medical providers and suppliers; or (3) both."

Exemptions to Moratorium. The moratorium does not apply to the following:

- Changes in location of existing practice location;
- Changes in provider or supplier information, such as phone number or address;
- Changes in ownership of an enrolled supplier (except changes in majority ownership that occur within the 36 months following initial enrollment or the most recent change in majority ownership, unless they qualify for an exception under 42 C.F.R. § 424.551);

- Any enrollment application received by the Medicare contractor prior to the moratorium's effective date; and
- DMEPOS supplier types other than the medical supply companies identified above, such as grocery stores, pharmacies, and inpatient, or outpatient medical providers whose principal function is not the provision of DMEPOS.

## Duration of Moratorium

The moratorium remains in effect for six months and may be extended in six-month increments if CMS deems it necessary. CMS evaluates whether to extend or lift the moratorium before the end of each six-month period and will announce its determination in the Federal Register. CMS may lift the moratorium at any time if: (1) the President declares a disaster; (2) circumstances warranting the moratorium have abated or CMS has implemented program safeguards; (3) the Secretary has declared a public health emergency; or (4) in the Secretary's judgment, the moratorium is no longer needed.

## Non-Compliance

CMS has warned that any attempt to circumvent the moratorium by misrepresenting a medical supply company as another DMEPOS supplier type could lead to:

- Denial of enrollment with a reapplication bar of up to 10 years.
- Revocation of enrollment with a reenrollment bar of up to 10 years.
- Referral to the OIG for investigation and possible criminal, civil, or administrative penalties.

CMS stated it will very closely screen all DMEPOS supplier applications submitted during the moratorium to ensure the supplier is not a medical supply company, including through site visits and online research.

## Takeaways

### For Prospective Suppliers:

- **Monitor Pending Applications.** Suppliers with applications pending as of February 27, 2026, should confirm receipt by the Medicare contractor and closely monitor the status of the application, as such applications are exempt from the moratorium. Suppliers should promptly respond to any development requests and be prepared for site visits and other inquiries to ensure the application is processed to approval.
- **Look for Future Updates.** Prospective medical supply companies unable to enroll in Medicare during the moratorium period should monitor for future Federal Register notices announcing the lifting or extension of the moratorium.
- **Do Not Attempt to Circumvent.** Prospective medical supply companies should not attempt to enroll as another DMEPOS supplier type to circumvent the moratorium, as this could result in a bar from future enrollment of up to 10 years, referral to the OIG, and possible criminal, civil, or administrative penalties.

### For Current Suppliers:

- **Continue Normal Operations.** Currently enrolled medical supply companies may continue to operate and bill Medicare normally during the moratorium.
- **Maintain Enrollment Record.** Enrolled suppliers should ensure they monitor their enrollment record and take all actions necessary to maintain it in good standing. This includes timely

**completing any applicable revalidations, responding to contractor inquiries, and reporting any changes to enrollment information within 30 days.**

- **Evaluate Expansion Plans.** Existing medical supply companies will be unable to enroll new practice locations during the moratorium. Suppliers should evaluate alternative arrangements or postpone expansion plans.
- **Ownership Changes.** Medical supply companies considering ownership transactions should carefully evaluate whether the transaction would trigger a change in majority ownership that would require a new initial enrollment. The moratorium would prohibit reenrollment in these situations, thus suppliers may want to postpone transactions or consider alternate structures that would allow the existing enrollment to continue.
- **Monitor Future Extensions.** All suppliers should monitor for future Federal Register announcements about the moratorium.

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For more information about the moratorium, please contact [Stephen M. Azia](#), [Kathleen R. Salsbury](#), [Alex S. Lewis](#), or any other member of Baker Donelson's [Health Law](#) Group.