

**Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 14-0966.01 Kristen Forrestal x4217

HOUSE BILL 14-1369

HOUSE SPONSORSHIP

Young, Pabon

SENATE SPONSORSHIP

Crowder and Jahn,

House Committees

Public Health Care & Human Services
Finance
Appropriations

Senate Committees

Health & Human Services
Appropriations

A BILL FOR AN ACT

101 **CONCERNING REQUIRED LICENSURE FOR DURABLE MEDICAL**
102 **EQUIPMENT SUPPLIERS, AND, IN CONNECTION THEREWITH,**
103 **MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill requires a durable medical equipment supplier that currently bills or plans to bill the medicare program for services or products to have a license with the secretary of state. The licensee must be physically located within the state or within 50 miles of the state, have

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

SENATE
2nd Reading Unamended
May 6, 2014

HOUSE
3rd Reading Unamended
April 30, 2014

HOUSE
Amended 2nd Reading
April 29, 2014

sufficient inventory and staff to do business, and be accredited by an organization recognized and accepted by the centers for medicare and medicaid services.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) It is in the best interests of the residents of Colorado who are
5 in need of durable medical equipment to have ample and uncomplicated
6 access to equipment within a reasonable distance from their homes.

7 (b) Access to vital durable medical equipment is being
8 jeopardized by suppliers outside the borders of Colorado that win
9 contracts but do not have a physical location in Colorado, do not have
10 inventory available, and do not have Colorado employees to run the
11 businesses.

12 (2) Therefore, it is the intent of the general assembly to require
13 licensure of durable medical equipment suppliers that participate in
14 centers for medicare and medicaid service programs so that the residents
15 of Colorado have access to the services and products they need. It is not
16 the intent of the general assembly to set up a barrier to trade in the durable
17 medical equipment industry by licensing these suppliers, but it is the
18 intent to recognize that licensure is for the safety and welfare of a
19 vulnerable population.

20 **SECTION 2.** In Colorado Revised Statutes, **add** 24-21-115 as
21 follows:

22 **24-21-115. Durable medical equipment supplier license -**
23 **definition - rules.** (1) AS USED IN THIS SECTION, "DURABLE MEDICAL
24 EQUIPMENT SUPPLIER" MEANS A PERSON OR ENTITY THAT DELIVERS

1 DISPOSABLE MEDICAL SUPPLIES OR DURABLE MEDICAL EQUIPMENT
2 PRODUCTS DIRECTLY TO A RECIPIENT AND THAT CURRENTLY BILLS OR
3 PLANS TO BILL THE MEDICARE PROGRAM FOR SERVICES OR PRODUCTS IN
4 THE CURRENT CALENDAR YEAR. "DURABLE MEDICAL EQUIPMENT
5 SUPPLIER" DOES NOT INCLUDE A SUPPLIER OF INSULIN INFUSION PUMPS AND
6 RELATED SUPPLIES OR SERVICES.

7 (2) IN ORDER TO DO BUSINESS IN COLORADO, A DURABLE MEDICAL
8 EQUIPMENT SUPPLIER MUST BE LICENSED BY THE SECRETARY OF STATE.

9 (3) AN APPLICANT FOR A DURABLE MEDICAL EQUIPMENT SUPPLIER
10 LICENSE MUST:

11 (a) COMPLETE THE LICENSE APPLICATION AS DIRECTED BY THE
12 SECRETARY OF STATE;

13 (b) SUBMIT TO THE SECRETARY OF STATE A NOTARIZED AFFIDAVIT
14 ATTESTING THAT:

15 (I) THE APPLICANT HAS ONE OR MORE PHYSICAL LOCATIONS
16 WITHIN THE STATE OR WITHIN FIFTY MILES OF THE BORDER OF THE STATE;

17 (II) THE APPLICANT HAS SUFFICIENT INVENTORY AND STAFF TO
18 SERVICE OR REPAIR PRODUCTS; AND

19 (III) THE APPLICANT IS ACCREDITED BY AN ACCREDITING
20 ORGANIZATION RECOGNIZED AND ACCEPTED BY THE FEDERAL CENTERS
21 FOR MEDICARE AND MEDICAID SERVICES;

22 (c) PROVIDE TO THE SECRETARY OF STATE A STREET ADDRESS AND
23 A LOCAL BUSINESS TELEPHONE NUMBER; AND

24 (d) PAY AN ANNUAL FEE ESTABLISHED BY THE SECRETARY OF
25 STATE, NOT TO EXCEED FIVE HUNDRED DOLLARS.

26 (4) THE DURABLE MEDICAL EQUIPMENT SUPPLIER LICENSEE SHALL
27 PROMINENTLY DISPLAY THE LICENSE AT EACH OF ITS PHYSICAL BUSINESS

1 LOCATIONS. THE LICENSE MAY BE DUPLICATED FOR THIS PURPOSE.

2 (5) THE SECRETARY OF STATE SHALL REFER ALL COMPLAINTS
3 CONCERNING DURABLE MEDICAL EQUIPMENT SUPPLIERS, DURABLE
4 MEDICAL EQUIPMENT, OR SERVICES TO THE FEDERAL CENTERS FOR
5 MEDICARE AND MEDICAID.

6 (6) THE SECRETARY OF STATE SHALL IMPLEMENT THIS SECTION ON
7 OR BEFORE DECEMBER 31, 2014. THE SECRETARY OF STATE MAY
8 PROMULGATE RULES TO IMPLEMENT THIS SECTION.

9 **SECTION 3. Appropriation.** (1) In addition to any other
10 appropriation, there is hereby appropriated, out of any moneys in the
11 department of state cash fund created in section 24-21-104 (3) (b),
12 Colorado Revised Statutes, not otherwise appropriated, to the department
13 of state, for the fiscal year beginning July 1, 2014, the sum of \$95,775
14 and 0.1 FTE, or so much thereof as may be necessary, to be allocated for
15 the implementation of this act as follows:

16 (a) \$5,135 and 0.1 FTE to the business and licensing division for
17 personal services; and

18 (b) \$90,640 to information technology services for information
19 technology costs.

20 **SECTION 4. Safety clause.** The general assembly hereby finds,
21 determines, and declares that this act is necessary for the immediate
22 preservation of the public peace, health, and safety.