

## ***Advocacy Urges CMS to Improve its Analysis of Impacts on the Small Durable Medical Equipment Suppliers in the Surety Bond Rule***

- On September 13, 2007, the Office of Advocacy (Advocacy) filed a comment letter with the Centers for Medicare and Medicaid Services (CMS) concerning a proposed Medicare rule that will require, among other things, suppliers of durable medical equipment obtain a \$65,000 surety bond in order to participate in the Medicare program. A complete copy of Advocacy’s comment letter may be accessed at <http://www.sba.gov/advo/laws/comments>.
- On August 1, 2007, the Centers for Medicare and Medicaid Services (CMS) published a proposed rule in the *Federal Register* titled, “Medicare Program; Surety Bond Requirement for suppliers of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS).” The rule requires that any durable medical equipment (DME) supplier must furnish CMS with a \$65,000 surety bond. CMS notes that the public policy behind the regulation is to limit the Medicare program to risk from fraudulent DME suppliers.
- Representatives from small DME suppliers approached Advocacy concerned that CMS had failed to adequately analyze how the regulation would economically impact their businesses. In its comment letter, Advocacy suggested that CMS do a better job analyzing the economic impact of the rule on DME suppliers pursuant to the requirements of the Regulatory Flexibility Act. Also, Advocacy provided CMS with data and alternatives to the rule that was provided by many small DME suppliers. Advocacy hopes these steps will serve to reduce the rule’s burden on the DME suppliers.

For more information, visit Advocacy’s web page at [www.sba.gov/advo](http://www.sba.gov/advo) or contact Linwood Rayford at (202) 205-6533.

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