

Sunset Report

Alabama Board of Home Medical Equipment

Montgomery, Alabama

October 1, 2024 through September 30, 2025

ALABAMA DEPARTMENT OF
EXAMINERS of Public Accounts

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Rachel Laurie Riddle
Chief Examiner

October 28, 2026

Representative Margie Wilcox
Chairman, Sunset Committee
Alabama State House
Montgomery, Alabama 36130

Dear Representative Wilcox:

This report was prepared to provide information for use by the Sunset Committee in conducting its review and evaluation of the operations of the Alabama Board of Home Medical Equipment in accordance with the ***Code of Alabama 1975***, Section 41-20-9.

The report contains unaudited information obtained from the management, staff, and records of the Alabama Board of Home Medical Equipment Board in addition to information obtained from other sources.

Please contact me if you have any questions concerning this report.

Sincerely,

Rachel Laurie Riddle
Chief Examiner

Examiner
Charnelle Martin

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PROFILE

Purpose/Authority

The Board of Home Medical Equipment Services Providers (the "Board") was created by Act Number 2000-739, Acts of Alabama. The Board was renamed the Board of Home Medical Equipment by Act Number 2014-172, Acts of Alabama. The Board operates under the authority of the ***Code of Alabama 1975***, Sections 34-14C-1 through 34-14C-8. The Board exercises licensing and regulatory authority over businesses engaged in medical devices usable in a residential setting.

Characteristics	
Members and Selection	A minimum of nine members appointed by the Governor. Membership should be comprised of the following: • A majority of members must be employed in the home medical equipment industry selected from a list submitted by the Alabama Durable Medical Equipment Association, or its successor. • A consumer of home medical equipment service selected from a list of names submitted by the Governor's Office of Disability, or its successor. • A physician selected from a list of names submitted by the Medical Association of Alabama, or its successor. • A representative from the acute-care hospital community selected from a list submitted by the Alabama Hospital Association, or its successor. • A representative from the home health agency community selected from a list of names submitted by the Home Care Association of Alabama, or its successor. ***Code of Alabama 1975***, Section 34-14C-2(a)
Term	Appointments are for four-year terms ending on October 1. Members serve until their successors are appointed. No member shall serve more than two consecutive terms. Each member shall hold office until his or her successor is appointed by the Governor. ***Code of Alabama 1975***, Section 34-14C-2(b)

Qualifications	A majority of members are required to be employed in the home medical equipment industry, and at least one person from each of the following categories: • A consumer of home medical equipment services. • A physician. • A representative from the acute-care hospital community. • A representative from the home health agency community. Members shall each be residents of the state and have no record of sanctions related to fraud under federal or state law. ***Code of Alabama 1975***, Section 34-14C-2(a)
Consumer Representation	At least one consumer is required by law. There is a consumer member serving on the Board. ***Code of Alabama 1975***, Section 34-14C-2(a)
Racial Representation	No specific statutory requirement. One minority member is currently serving.
Geographical Representation	No specific statutory requirement.
Other Representation	The membership of the Board shall be inclusive and reflect the racial, gender, geographic, urban/rural, and economic diversity of the state. ***Code of Alabama 1975***, Section 34-14C-2(a)
Compensation	Members do not receive compensation but are reimbursed for reasonable travel and meeting expenses. ***Code of Alabama 1975***, Section 34-14C-2(c)
Attended Board Member Training	Executive Director One Staff Member

Operations	
Administrator	The Board has an administrative services contract with The Austin Group, LLC, to provide administrative, management and facility services. Claire H. Austin, President of The Austin Group, LLC, serves as the Board's Executive Director. The current contract is for twelve months beginning May 1, 2026 for $6,914.25 per month ($82,971.00 per year).
Location	60 Commerce Street, Suite 1440 Montgomery, AL 36104 Office Hours: Monday through Friday, 8:00 a.m. to 5:00 p.m.
Real Property Ownership	The Board does not own any real property.
Employees	The Board has one part-time retired state employee who serves as the Board's inspector.
Legal Counsel	Steven K. Herndon, Assistant Attorney General, an employee of the Attorney General's Office.
Subpoena Power	The Board does not have subpoena power except as provided by the Administrative Procedures Act, ***Code of Alabama 1975***, Section 41-22-12 for hearings and contested cases.
Internet Presence	https://homemed.alabama.gov The Board's website includes a calendar, news, the Board's statutes and rules, contact information, a public records request link, complaint form, disciplinary actions, license forms, and a licensee roster search feature. Minutes for most of the Board's meetings and a list of the current board members serving are available on the website.
Financial	
Source of Funds	Licensing fees, inspection fees, and penalties
State Treasury	Yes, Special Treasury Fund 1078. ***Code of Alabama 1975***, Section 34-14C-7
Required Distributions	No statutory requirements.
Unused Funds	Unused funds are retained by the Board at the fiscal year-end.

Licensure	
Licensees	The Board had 521 licensees as of September 23, 2026. ***Source:*** Executive Director
Licensure Qualifications	To obtain licensure, applicants must: • Maintain at least one physical location within the state. • Provide certification of insurance to include comprehensive liability insurance of at least $300,000. • Pass initial site inspection. • Provide proof of proper business license. • Provide proof of proper permits (pharmacy oxygen permit for oxygen suppliers or elevator contractor's license for lift supplies). • Provide proof of citizenship or legal presence for all individuals affiliated with ownership of company applying for licensure. ***Code of Alabama 1975***, Section 34-14C-4 ***Administrative Rules*** 473-X-3-.01 and 473-X-A2-2
Examinations	There are no examination requirements for licensure.
Reciprocity	The Board does not have reciprocity agreements with any states. ***Source:*** Executive Director
Renewals	All licenses expire August 31 of the year following issuance. A license may be renewed within the 60-day period after August 31 upon payment of both the required fee and a late fee. Renewal is offered online. In Fiscal Year 2025, 93% of licenses were renewed online. ***Code of Alabama 1975***, Section 34-14C-4(d) ***Source:*** Executive Director

Licensee Demographics

The following information was collected by the Board:

Licensees in each State:

State	# of Licensee
Alaska	1
Alabama	442
Arkansas	1
Arizona	2
California	7
Florida	12
Illinois	3
Indiana	3
Minnesota	4
Mississippi	2
Pennsylvania	1
Tennessee	8
Texas	5
Virginia	3
Wisconsin	1
Colorado	1
Georgia	7
Hawaii	1
Louisiana	1
Massachusetts	1
Maryland	1
Michigan	2
Missouri	2
North Carolina	3
New Jersey	1
New York	2
Ohio	1
Oklahoma	1
Oregon	1
Utah	1
Washington	1

Gender of Person in Charge:

Gender	% of Licensees
Male	59%
Female	41%

Source: Executive Director

Continuing Education

There are no continuing education requirements.

SIGNIFICANT ISSUES

Significant Issue 2026-001: A board member served on the Board for 97 days before being appointed by the Governor. Upon the resignation of a prior Board member, the Alabama Hospital Association recommended to the Governor an individual to fill the seat via a letter dated March 2, 2026. The Board swore in this individual at its March 12, 2026, meeting. However, the replacement Board member was not appointed by the Governor until June 17, 2026.

The ***Code of Alabama 1975***, Section 34-14C-2(e) states in part that "Whenever a vacancy occurs on the board due to the death or resignation of a currently appointed board member, or other like cause, ***the vacancy shall be filled by appointment by the Governor for the remainder of the unexpired term of the member***….

Significant Issue 2026-002: The Board did not elect a Chair and Vice Chair as required by its *Administrative Rule* 473-X-2-.01(3). These elections should have occurred at the December 2024 and December 2025 meetings, which were the first meetings after October 1 of each year. Ensuring timely elections is important for maintaining compliance and supporting effective Board governance.

Administrative Rule 473-X-2-.01(3) requires the Board to elect at the first meeting following October 1st each year, a Chair and a Vice Chair.

STATUS OF PRIOR FINDINGS/SIGNIFICANT ISSUES

Prior Significant Issue 2025-003: The Board failed to properly notify the Secretary of State of vacancies occurring on the Board. The following discrepancies were noted:

- The Board did not post notices for seven vacancies occurring as a result of the expiration of members' terms or resignations.
- The Board did not post a timely notice for vacancies occurring as a result of the expiration of two members' terms at least 45 days before the vacancies occurred. The notices were posted 70 days and 126 days after the vacancies occurred.

Failure to properly notify the Secretary of State of vacancies occurring could result in potential candidates for the vacancies not receiving sufficient notice and cause the Board not to receive input from all interested candidates to fill vacancies.

The ***Code of Alabama 1975***, Section 36-14-17(c)(1) states, "The chair of an existing board shall notify the Secretary of State by electronic means of a vacancy scheduled to occur on the Board as a result of the expiration of a term, at least 45 days before the vacancy occurs. Additionally, the ***Code of Alabama 1975***, Section 36-14-17(c)(2) states, "The chair of an existing board shall notify the Secretary of State by electronic means of a vacancy occurring for any reason other than the expiration of a term, as soon as possible, and in any case within 15 days after the occurrence of the vacancy.

Current Status: Unresolved. The Board failed to properly notify the Secretary of State of vacancies occurring on the Board resulting from two resignations.

Prior Significant Issue 2025-004:
The Board has not complied with certain provisions of Executive Orders issued by the Governor. The following discrepancies were noted:

- The Board did not provide documentation of its submissions of the Constituent Service Survey to the Office of the Governor that were due on January 31, 2024 and January 31, 2025 as required by Governor Ivey's ***Executive Order 726: Promoting the Faithful Execution of the Laws Within the Executive Branch of State Government***.
- The Board did not provide documentation to demonstrate it had established written policies concerning the disposal of unnecessary state vehicles and the proper use and assignment of state vehicles as required by Governor Ivey's ***Executive Order 728: Promoting Efficiency and Accountability in the Use of State Vehicles***.
- The Board did not provide documentation that it had established administrative rules to set reasonable fees for responding to public records requests as required by Governor Ivey's ***Executive Order 734: Promoting Transparency in State Government Through Enhanced Accessibility to Public Records***.

Executive Order 726, effective January 17, 2023, requires regulatory agencies to semi-annually report to the Office of the Governor their efforts to respond to constituents when they complain about a licensee or other entity regulated by the agency. These reports shall be filed at a time, and in a format prescribed by the Office of the Governor.

Additionally, ***Executive Order 728***, effective January 17, 2023, requires each state executive-branch agency, by July 1, 2023, to adopt a written policy concerning the disposal of unnecessary state vehicles and the proper use and assignment of state vehicles. To promote public confidence in the stewardship of state resources, such policies shall provide objective criteria to determine when a vehicle may properly be assigned to an individual state employee to efficiently conduct the agency's official government business.

Further, ***Executive Order 734***, effective January 26, 2023, states, "Within 90 days of the issuance of this order, each state executive-branch agency shall revise its public-records policies - including, if necessary, by giving notice of its intention to adopt or amend administrative rules - to ensure that it charges no more than the following reasonable fees for responding to public-records requests. (a) Document retrieval and preparation. Up to $20.00 per hour, including a standard, minimum fee of $20.00. (b) Per-page fees. Charge a per-page fee of up to $0.50. (c) Actual costs. Charge any actual costs incurred while processing or responding to a public-records request."

Current Status: Partially Resolved. The Board still has not complied with certain provisions of Executive Orders issued by the Governor. The following discrepancies were noted:

- The Board did not provide documentation to demonstrate it had established written policies concerning the disposal of unnecessary state vehicles and the proper use and assignment of state vehicles as required by Governor Ivey's ***Executive Order 728: Promoting Efficiency and Accountability in the Use of State Vehicles***.
- The Board did not provide documentation that it established policies to set reasonable fees for responding to public records requests as required by Governor Ivey's ***Executive Order 734: Promoting Transparency in State Government Through Enhanced Accessibility to Public Records***.

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APPENDICES

Appendix I: Applicable Statutes

Section 34-14C-1 Definitions.
As used in this chapter, the following terms shall have the following meanings:
(1) BOARD. The Board of Home Medical Equipment as established by this chapter.
(2) HOME MEDICAL EQUIPMENT. Medical devices usable in a residential setting, as defined in regulations established by the board.
(3) HOME MEDICAL EQUIPMENT SERVICES. The advertisement, sale, rental, delivery, installation, maintenance, replacement of, or instruction in the use of medical equipment and related supplies used by a sick or disabled individual to allow that individual to obtain care or treatment and be maintained in a residential setting.
(4) HOME MEDICAL EQUIPMENT SERVICES PROVIDER. A corporation, other business entity, or person engaged in the business of providing home medical equipment services, either directly or through a contractual arrangement, to an unrelated sick or disabled individual in the residence of that individual.
(Act 2000-739, p. 1619, §1; Act 2014-172, p. 489, §1.)

Section 34-14C-2 Board of Home Medical Equipment.
(a) The Governor shall appoint a minimum of nine persons to serve on the Board of Home Medical Equipment, such persons to include a majority who are employed in the home medical equipment industry, and at least one person from each of the following categories: A consumer of home medical equipment services, a physician, a representative from the acute-care hospital community, and a representative from the home health agency community. Those persons employed in the home medical equipment industry shall be selected from a list submitted by the Alabama Durable Medical Equipment Association, or its successor. The consumer member shall be selected from a list of names submitted by the Governor's Office on Disability, or its successor. The physician member shall be selected from a list of names submitted by the Medical Association of Alabama, or its successor. The acute-care hospital community member shall be selected from a list submitted by the Alabama Hospital Association, or its successor. The home health agency community member shall be selected from a list of names submitted by the Home Care Association of Alabama, or its successor. All lists submitted for nominations shall include at least two names for each appointed position to be filled. Board members shall each be citizens of this state and shall have no record of sanctions related to fraud under federal or state law. The membership of the board shall be inclusive and reflect the racial, gender, geographic, urban/rural, and economic diversity of the state.
(b) The initial members appointed to the board shall serve for terms of three to five years, with one-third of the board being replaced each year, beginning in year four. Thereafter, subsequent appointments shall be for a term of four years. No member shall serve more than two consecutive terms of office. An appointment shall end on October 1, four years from the date of the last term, and each member shall hold office until his or her successor is appointed by the Governor.
(c) Members of the board shall not be entitled to compensation for service but shall be reimbursed for reasonable travel and meeting expenses, according to a budget developed and approved by the board.
(d) The board shall have the responsibility for creating, establishing, maintaining, and enforcing regulations governing the operation of home medical equipment services providers, including the qualifications of inspectors, the nature of inspections, and the process for appeals.

(e) Whenever a vacancy occurs on the board due to the death or resignation of a currently appointed board member, or other like cause, the vacancy shall be filled by appointment by the Governor for the remainder of the unexpired term of the member, as provided under subsection (b). If a vacancy occurs among those members who are employed in the home medical equipment industry, the appointment shall be made from a list submitted by the Alabama Durable Medical Equipment Association or its successor.
(f) At the request of the board, the Governor may remove a member for failing to attend three consecutive and properly noticed meetings. The Governor may also remove a board member for any of the following reasons:
(1) Misfeasance.
(2) Malfeasance.
(3) Neglect of duty.
(4) Conviction of a felony.
(5) Permanent inability to perform official duties.
(g) The board may hire personnel necessary to carry out the provisions of this chapter. With the exception of the executive director, all personnel shall be subject to the provisions of the State Merit System Act.
(h) The board shall adopt a seal, which shall be affixed to all licenses issued by the board, and shall have all other powers necessary and proper for performing official duties.
(i) The board may establish and charge reasonable fees relating to the administration and enforcement of this chapter including, but not limited to, application, processing, copying, mailing, filing, and other fees as necessary to offset costs.
(j) Absent negligence, recklessness, wantonness, or deliberate misconduct, members of the board are immune from liability for all good faith acts performed in the exercise of their duties as members of the board.
(Act 2000-739, p. 1619, §2; Act 2010-148, §3; Act 2014-172, p. 489, §1.)

Section 34-14C-3 Duties of board; requirements of providers.
(a) The board shall adopt regulations that specify the medical equipment to be included in this chapter, set standards for the licensure of entities which provide home medical equipment services, and govern the safety and quality of home medical equipment service providers.
(b) All home medical equipment services providers shall:
(1) Comply with all applicable federal and state laws and regulations governing the safety of home medical equipment services provider facilities and delivery vehicles, the safety and quality of home medical equipment, and the safety, quality, and effectiveness of home medical equipment service procedures.
(2) Comply with any additional standards and testing requirements, as duly promulgated by the board and required for licensure.
(Act 2000-739, p. 1619, §3; Act 2014-172, p. 489, §1.)

Section 34-14C-4 Licensure; inspections.

(a) Except as otherwise provided in this chapter, a home medical equipment services provider shall be licensed annually by the board before the provider may engage in the provision of home medical equipment services. In Alabama, when a single business entity provides home medical equipment services from more than one location within the state, each such location shall be licensed. A provider of home medical equipment services that has a principal place of business outside this state shall maintain at least one physical location within this state, each of which shall be licensed.

(b) A license applicant shall submit the application for licensing or renewal to the board on a form promulgated and required by the board. Applicants shall pay a reasonable nonrefundable fee established by the board at the time the application is submitted. The board shall have the authority to set reasonable fees for applicants to obtain a license. Upon satisfaction of all applicable standards and requirements for licensure, the board shall issue a license certificate permitting the licensee to engage in providing home medical equipment services. The certificate shall be displayed prominently at each licensed location. No person, partnership, corporation, or other legal entity that is not otherwise exempted under this chapter shall provide home medical equipment services without first obtaining a license issued by the board.

(c) Accreditation by the Joint Commission on Accreditation of Healthcare Organizations, the Community Health Accreditation Program, or other accrediting entities shall not be substituted for compliance with this chapter.

(d) Commencing on June 1, 2014, licenses issued pursuant to this chapter shall expire on August 31 of the year following issuance. A license may be renewed within the 60-day period after August 31 upon payment of both the required fee and a late fee as established by rule of the board. Any license that is not renewed before the end of the 60-day grace period shall lapse. A lapsed license may not be renewed unless the holder reapplies and satisfies then current requirements for initial licensure.

(e) License applicants who, upon initial inspection, are found not to comply with applicable licensing standards, shall be notified by the board of the areas of noncompliance and shall be reinspected for compliance upon application and payment of a reasonable reinspection fee established by the board of up to three hundred dollars ($300).

(f) Except as provided in this chapter, the board may inspect all license applicants to determine compliance with the requirements of this chapter prior to the issuance of a license.

(g) The board may conduct random inspections upon application for renewal of a license, for cause, and as necessary to ensure the integrity and effectiveness of the licensing process.

(h) At any time upon the filing of a substantive, relevant complaint of a consumer of services or other qualified source as identified by the board, the board may inspect the operations of the provider to determine compliance with the requirements of this chapter.

(i) The board shall adopt and maintain standards for the individuals charged with conducting the inspections for the purpose of determining compliance with the requirements of this chapter. Board employees or contractors may conduct inspections.

(j) Upon notice of a failure to pass an inspection and obtain a license, a provider shall have 30 days to appeal the inspection results or be subject to penalties pursuant to Section 34-14C-6. Upon appeal, a provider shall have the right to an inspection review or a new inspection in accordance with procedures promulgated by the board.

(Act 2000-739, p. 1619, §4; Act 2004-441, p. 777, §1; Act 2014-74, p. 121, §3; Act 2014-172, p. 489, §1.)

Section 34-14C-4.1 Inspection fees.
The Board of Home Medical Equipment may establish by rule, and charge and collect, reasonable inspection fees pursuant to the Alabama Administrative Procedure Act.
(Act 2002-95, p. 308, §3; Act 2014-172, p. 489, §1.)

Section 34-14C-5 Exemptions.
The licensure requirements of this chapter do not apply to the following entities or practitioners:
(1) Home health agencies certified by the State of Alabama to participate in the Medicare and Medicaid programs.
(2) Hospital based home medical equipment services, whether or not the services are provided through a separate corporation or other business entity.
(3) Health care practitioners legally eligible to order or prescribe home medical equipment, or who use home medical equipment to treat patients in locations other than the patient's residence, including, but not limited to, physicians, nurses, physical therapists, respiratory therapists, speech therapists, occupational therapists, optometrists, chiropractors, and podiatrists, except for those practitioners, other than a licensed physician practicing medicine, who provide home medical equipment services in a patient's residence.
Nothing in this chapter shall be construed as prohibiting or restricting a licensed physician who is practicing medicine, nor shall anything in this chapter be construed as requiring a physician practicing medicine, to be licensed as a home medical equipment services provider.
(4) Manufacturers and wholesale distributors, when not selling directly to a patient.
(5) Retail community pharmacies, including providers of home infusion therapy services.
(6) Hospice programs, except programs which provide home medical equipment services, including delivery to a patient's residence.
(7) Skilled nursing facilities, except facilities which provide home medical equipment services, including delivery to a patient's residence.
(8) Governmental agencies, including fire districts which provide emergency medical services, and contractors to governmental agencies whose business deals only with the contracted agency.
(9) Mail order companies, as defined by rule of the board.
(10) Out-of-state providers of home medical equipment and services provided in accordance with state or federal law or regulation to Alabama Medicaid recipients.
(11) A provider of home medical equipment or services that manufactures and distributes its own company-branded power operated or durable insulin infusion pumps or continuous glucose monitors and related supplies.
(Act 2000-739, p. 1619, §5; Act 2014-172, p. 489, §1; Act 2015-372, §1; Act 2015-445, §1.)

Section 34-14C-6 Denial, suspension, or revocation of license; hearing; notice, penalties; appeal.

(a) The board may deny, suspend, or revoke a license as provided in this section.

(b) A license may not be denied, suspended, or revoked except by majority vote of the board and with prior notice and opportunity for hearing in accordance with this chapter and the Alabama Administrative Procedure Act.

(c) The board may institute a hearing for denial, suspension, or revocation of a license or any person may file a written complaint with the board seeking the denial, suspension, or revocation of an application for licensure or license issued by the board or the investigation of any unlicensed person or entity providing home medical equipment services. The complaint shall be in a form prescribed by the board.

(d) A copy of the charges, including notice of the time and place of hearing, shall be served by certified mail, return receipt requested, at least 21 days before the scheduled hearing date to the most recent address of the applicant or licensee on file with the board, or to the last known address of any unlicensed person or entity providing home medical equipment services. If the notice and opportunity for hearing is refused or the return receipt has not been received by the board within 10 days before the scheduled hearing, the applicant, licensee, or unlicensed person or entity may be served by mailing the charges and notice by first class mail, at least seven days before the hearing date, to the most recent address on file with the board, or to the last known address of the unlicensed person or entity providing home medical equipment services.

(e) The board may invoke disciplinary action as outlined in subsection (f) whenever it is established to the satisfaction of the board, after a hearing held in accordance with this chapter and the Alabama Administrative Procedure Act, that any person is guilty of any of the following acts:

(1) Violation of this chapter or a rule of the board.

(2) Making a material misrepresentation in furnishing information to the board.

(3) Making a misrepresentation to obtain licensure or to otherwise violate this chapter.

(4) Conviction of or entry of a plea of guilty or nolo contendere to any crime that is a felony under the laws of the United States, or any state or territory of the United States, or to any crime that is a misdemeanor, if an essential element of the crime is dishonesty or is directly related to providing home medical equipment services.

(5) Gross negligence or gross misconduct in providing home medical equipment services.

(6) Aiding, assisting, or willingly permitting another person to violate any provision of this chapter or rule of the board.

(7) Failing, within 30 days, to provide information in response to a written request of the board.

(8) Failing to cooperate with an inspection or with an investigation conducted by the board.

(9) Engaging in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud, or harm the public.

(10) Denial, revocation, suspension, or restriction of a license in another state or jurisdiction to provide home medical equipment services for a reason other than failure to renew the license.

(11) Directly or indirectly giving to or receiving from any person, partnership, corporation, or other legal entity any fee, commission, rebate, or other form of compensation for services not actually or personally rendered.

(12) A finding that a licensee on probationary status has violated the terms of the probation.
(13) Willfully making or filing false records, reports, or billings in the course of providing home medical equipment services including, but not limited to, false records, reports, or billings filed with state or federal agencies or departments.
(14) The use of any words, abbreviations, figures, or letters with the intention of indicating practice as a home medical equipment services provider without having first obtained a license from the board.
(15) Failure to comply with state or federal laws and regulations concerning home medical equipment services providers.
(16) Solicitation of home medical equipment services using false or misleading advertising.
(17) Failure to display a license in accordance with this chapter.
(18) Failure to report a change of name, address, control, ownership, or administration to the board within 30 days after the date of change.
(f) When the board finds any person guilty of any of the grounds set forth in subsection (e), the board may enter an order imposing one or more of the following penalties:
(l) A letter of reprimand.
(2) Imposition of probation for a period of time and subject to such conditions as may be prescribed by the board.
(3) Denial of an application for an initial or renewal license.
(4) Suspension of a license for a period of time established by the board, with or without automatic reinstatement.
(5) Revocation of a license.
(6) Payment of restitution to each consumer negatively affected by the prohibited act. Proof of such restitution shall be a signed and notarized release executed by the consumer or the estate of the consumer.
(7) Assessment of the costs of the disciplinary proceedings.
(g) Failure to comply with any final order of the board is also cause for suspension or revocation of a license. The board may suspend or revoke any license which has been issued based on false or fraudulent representations.
(h) The board may informally resolve any alleged violation of this chapter or rule of the board by stipulation, agreed settlement, or consent order, in lieu of an administrative hearing.
(i) Any entity or person found to be providing home medical equipment services without a license as required by this chapter shall be subject to an administrative fine of up to one thousand dollars ($1,000) per day that services were provided without a license. Funds collected pursuant to this chapter shall be allocated to the administration of the program.
(j) Any entity or person found to be providing home medical equipment services without a license as required by this chapter may be administratively enjoined by the board from providing services until such time as the entity or person complies with this chapter.
(k) In addition to any other disciplinary action authorized by this chapter, the board may levy and collect administrative fines for violations of this chapter or the rules or standards of the board in an amount of up to one thousand dollars ($1,000) for each violation.
(l) Any person or entity violating this chapter, upon conviction, shall be guilty of a Class A misdemeanor, and subject to fine or imprisonment, or both.
(m) Any entity or person subject to the penalties prescribed by subsections (i) and (j) may pursue an appeal through the board according to rules promulgated by the board.

(n) Any hearings related to matters before the board shall be conducted in Montgomery County.
(o) In addition to any other penalty or disciplinary action authorized by this chapter, the board may seek an injunction against any person or entity found in violation of this chapter. In an action for an injunction, the board may demand and recover a civil penalty of fifty dollars ($50) per day for each violation, reasonable attorney fees, and court costs. No civil penalty shall be awarded to the board if an administrative fine is assessed pursuant to subsection (i).
(p) Upon the revocation or suspension of a license, the licensee shall immediately surrender the license to the board, and if the licensee fails to do so, the board may seize the license.
(q) Any person aggrieved by an adverse action of the board may appeal the action to the Circuit Court of Montgomery County in accordance with the Alabama Administrative Procedure Act.
(Act 2000-739, p. 1619, §6; Act 2004-441, p. 777, §1; Act 2014-172, p. 489, §1.)

Section 34-14C-7 Home Medical Equipment Fund.
There is hereby established a separate special revenue trust fund in the State Treasury to be known as the Home Medical Equipment Fund. All receipts collected by the board under the provisions of this chapter are to be deposited into this fund and shall be used only to carry out the provisions of this chapter. The receipts shall be disbursed only by warrant of the state Comptroller upon the State Treasury, upon itemized vouchers approved by the executive director. No funds shall be withdrawn or expended except as budgeted and allotted according to Sections 41-4-80 to 41-4-96, inclusive, and 41-19-1 to 41-19-12, inclusive, and only in amounts as stipulated in the general appropriations bill or other appropriations bills.
(Act 2000-73)

Section 34-14C-8 Sunset provision.
The board shall be subject to the Alabama Sunset Law as an enumerated agency as provided in Section 41-20-3, and shall have a termination date of October 1, 2002, and every four years thereafter, unless continued pursuant to the Alabama Sunset Law.
(Act 2000-739, p. 1619, §8; Act 2014-172, p. 489, §1.)

Appendix II: Board Members

ALABAMA BOARD OF HOME MEDICAL EQUIPMENT
60 Commerce Street, Suite 1440 • Montgomery, AL 36104
Phone: (334) 215-3474 • Fax: (334) 801-9579
www.homemed.alabama.gov

May 28, 2026

Ms. Charnelle Martin
Examiners of Public Accountants
401 Adams Avenue – Suite 280
Montgomery, AL 36104

The following Board Members:

Mr. Jason Jones
Board Chairman
Troy, AL 36081 – Pike Co.
Appointed: 09/17/2025
Expiration:10/01/2027

Phil Klebine
Birmingham, AL – Jefferson County
Appointed: 08/15/2025
Expiration: 10/01/2027

Mrs. Jennifer Weathers
Decatur, AL 35601 – Morgan Co.
Appointed: 01/15/2022
Expiration: 10/01/2026

Russell Terry
Warrior, AL - Jefferson County
Appointed: 08/15/2025
Expiration: 10/01/2027

Henry Fulgham
Mobile, AL - Mobile Co.
Appointment: 08/15/2025
Expiration: 10/01/2028

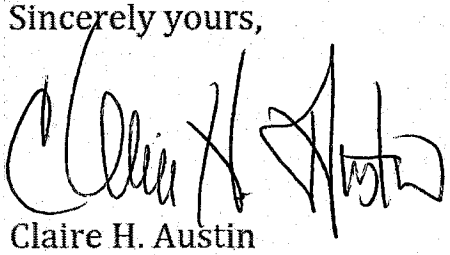
Robert Beard
Vice Chair Board
Livingston, AL – Sumter Co.
Appointed: 09/17/2025
Expiration: 10/01/2027

Ashley Lauderdale
Tuscaloosa, AL - Tuscaloosa Co.
Appointed: 01/17/2025
Expiration: 09/28/2028

Mr. Michael Hadden
Pelham, AL 36037 – Shelby Co.
Appointment: 09/17/25
Expiration: 10/01/2028

Dr. Danielle Powell
Pelham, AL – Shelby Co.
Appointment: 05/27/ 2025
Expiration: 10/ 01/ 2029

Sincerely yours,



Claire H. Austin
Executive Director

Appendix III: Board's Response

ALABAMA BOARD OF HOME MEDICAL EQUIPMENT
60 Commerce Street Suite 1440
Montgomery, AL 36104
Phone: 334-801-9578
Fax: 334-801-9579
www.homemed.alabama.gov

SIGNIFICANT ISSUES

Significant Issue 2026-001: A board member served on the Board for 97 days before being appointed by the Governor. Upon the resignation of a prior Board member, the Alabama Hospital Association recommended to the Governor an individual to fill the seat via a letter dated March 2, 2026. The Board swore in this individual at its March 12, 2026, meeting. However, the replacement Board member was not appointed by the Governor until June 17, 2026.

The ***Code of Alabama 1975***, Section 34-14C-2(e) states in part that "Whenever a vacancy occurs on the board due to the death or resignation of a currently appointed board member, or other like cause, ***the vacancy shall be filled by appointment by the Governor for the remainder of the unexpired term of the member***….

Significant Issue 2026-002: The Board did not elect a Chair and Vice Chair as required by its *Administrative Rule* 473-X-2-.01(3). These elections should have occurred at the December 2024 and December 2025 meetings, which were the first meetings after October 1 of each year. Ensuring timely elections is important for maintaining compliance and supporting effective Board governance.

Administrative Rule 473-X-2-.01(3) requires the Board to elect at the first meeting following October 1st each year, a Chair and a Vice Chair.

Response: Mr. Nathan Rhudy was nominated by the Alabama Hospital Association and appointed by the Governor's office February 5th of 2026. Mr. Rhudy stated the day he was appointed by the Governor that he didn't want to serve on the Board. Therefore, Nathan Rhudy never took the Oath of Office and was not sworn into office. After speaking with Mr. Rhudy, I called Jane Knight at the Alabama Hospital Association informing them of this matter as well as Mr. Mason Bass, appointment secretary in the Governor office. Mrs. Knight at the Hospital Association told me she would get back with me about another nomination for this position to the HME Board which she did promptly. This vacancy needed to be filed due to an expiration, and the current member couldn't attend due to other major commitments. The Alabama Hospital Association promptly nominated Mr. Russell Terry for the representative of an Acute Care Hospital for the HME Board. We both spoke with the Governor's appointment office about this reappointment.
A letter was written on March 2, 2026, by the President Danne Howard, Alabama Hospital Association to Governor Ivey nominating Russell Terry for this position. This was highly unusual that the former nominee Nathan Rhudy never took the nomination. It was a miscommunication with the Governor's office and once the Board was given the name of Mr.

Russell Terry, the Board swore him into office at the March 12, 2026, Board meeting. We called the Governor's appointment office looking to obtain a copy of the letter in April, then noticed the appointment had not been made. I worked with Mr. Bass in the Governor's appointment office at this time; however, due to Legislative session and other matters, it was not until June of 2026 for the Board to receive the official letter. Mr. Russell Terry was sworn back into office during the September 15th, 2026, board meeting.

STATUS OF PRIOR FINDINGS/SIGNIFICANT ISSUES

Prior Significant Issue 2024-001: The Board failed to properly notify the Secretary of State of vacancies occurring on the Board. The following discrepancies were noted:

- The Board did not post notices for seven vacancies occurring as a result of the expiration of members' terms or resignations.
- The Board did not post a timely notice for vacancies occurring as a result of the expiration of two members' terms at least 45 days before the vacancies occurred. The notices were posted 70 days and 126 days after the vacancies occurred.

Failure to properly notify the Secretary of State of vacancies occurring could result in potential candidates for the vacancies not receiving sufficient notice and cause the Board not to receive input from all interested candidates to fill vacancies.

The ***Code of Alabama 1975***, Section 36-14-17(c)(1) states, "The chair of an existing board shall notify the Secretary of State by electronic means of a vacancy scheduled to occur on the Board as a result of the expiration of a term, at least 45 days before the vacancy occurs. Additionally, the ***Code of Alabama 1975***, Section 36-14-17(c)(2) states, "The chair of an existing board shall notify the Secretary of State by electronic means of a vacancy occurring for any reason other than the expiration of a term, as soon as possible, and in any case within 15 days after the occurrence of the vacancy.

Current Status: **Unresolved.** The Board failed to properly notify the Secretary of State of vacancies occurring on the Board resulting from the resignations of two members.

Response: The board automatically checks the box on the Secretary of States website noting that the term expires on X date and that each person has services until replaced on the Board. The only issue here was that Mr. Nathan Rhudy was nominated by Governor but never accepted the appointment by the Governor and was never sworn into office. Therefore, Mr. Vernon Johnson, who held this position for two terms, was legally still in the position until we swore in Mr. Russell Terry on March 12th, then, I replaced Mr. Terry's name on the website.

Mr. Don Jones of Cullman was serving in a position for two terms and resigned at the end of August 2025 due to health reasons for his grandson. Mr. Henry Fulgham was appointed by Governor Ivey on August 15th, 2025. Mr. Fulghum was unable to attend the September 2025 meeting due to prior commitments; therefore, he was sworn into office on the 8th of December 2025. Each of these members must be nominated by an Association and then, submitted to the Governor's office for consideration.

Prior Significant Issue 2024-002:

The Board has not complied with certain provisions of Executive Orders issued by the Governor. The following discrepancies were noted:

- The Board did not provide documentation of its submissions of the Constituent Service Survey to the Office of the Governor that were due on January 31, 2024 and January 31, 2025 as required by Governor Ivey's ***Executive Order 726: Promoting the Faithful Execution of the Laws Within the Executive Branch of State Government***.
- The Board did not provide documentation to demonstrate it had established written policies concerning the disposal of unnecessary state vehicles and the proper use and assignment of state vehicles as required by Governor Ivey's ***Executive Order 728: Promoting Efficiency and Accountability in the Use of State Vehicles***.
- The Board did not provide documentation that it had established administrative rules to set reasonable fees for responding to public records requests as required by Governor Ivey's ***Executive Order 734: Promoting Transparency in State Government Through Enhanced Accessibility to Public Records***.

Executive Order 726, effective January 17, 2023, requires regulatory agencies to semi-annually report to the Office of the Governor their efforts to respond to constituents when they complain about a licensee or other entity regulated by the agency. These reports shall be filed at a time, and in a format prescribed by the Office of the Governor.

Additionally, ***Executive Order 728***, effective January 17, 2023, requires each state executive-branch agency, by July 1, 2023, to adopt a written policy concerning the disposal of unnecessary state vehicles and the proper use and assignment of state vehicles. To promote public confidence in the stewardship of state resources, such policies shall provide objective criteria to determine when a vehicle may properly be assigned to an individual state employee to efficiently conduct the agency's official government business.

Further, ***Executive Order 734***, effective January 26, 2023, states, "Within 90 days of the issuance of this order, each state executive-branch agency shall revise its public-records policies - including, if necessary, by giving notice of its intention to adopt or amend administrative rules - to ensure that it charges no more than the following reasonable fees for responding to public-records requests. (a) Document retrieval and preparation. Up to $20.00 per hour, including a standard, minimum fee of $20.00. (b) Per-page fees. Charge a per-page fee of up to $0.50. (c) Actual costs. Charge any actual costs incurred while processing or responding to a public-records request."

<u>Current Status</u>: Partially Resolved. The Board still has not complied with certain provisions of Executive Orders issued by the Governor. The following discrepancies were noted:

- The Board did not provide documentation to demonstrate it had established written policies concerning the disposal of unnecessary state vehicles and the proper use and assignment of state vehicles as required by Governor Ivey's ***Executive Order 728: Promoting Efficiency and Accountability in the Use of State Vehicles***.

<u>Response:</u> When The Austin Group, LLC took over management of the Board, the Board realized that to ensure the most effective operations, the Board transferred the vehicle to another agency. The Board does not have a vehicle. At the next Board meeting the Board will vote to establish a written policy following 305.9-1-06. Rules and procedures for the declaration, delivery, transfer, receipt, listing, and sale of surplus personal property.

- The Board did not provide documentation that it established policies to set reasonable fees for responding to public records requests as required by Governor Ivey's ***Executive Order 734: Promoting Transparency in State Government Through Enhanced Accessibility to Public Records***.

<u>Response:</u> To date, the Board has not had any public records request, the Board does have a public records filing system and a copy of Executive Order No. 734 along with the fee schedule that is posted on the Boards office wall. The Fees include Document retrieval and preparation, Per-Page fees, Actual costs and all other information outlined in the Executive Order.