Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program:

Sample Bid Surety Bond Template

PRINCIPAL/OBLIGOR *(Bidding entity)*:

    Legal Business Name: _____

    Tax Identification Number (TIN): _____

SURETY *(Name and business address)*: _____

                                                      _____

                                                      _____

                                                      _____

                                                      _____

Surety's NAIC Number: _____   Bid Surety Bond Number: _____

OBLIGEE: United States of America, acting through the Centers for Medicare & Medicaid Services ("CMS"), a component agency of the United States Department of Health and Human Services ("HHS"). CMS is the sole obligee of this Bid Surety Bond, and no action may be brought on this Bid Surety Bond by, or on behalf of, or for the use or benefit of, any entity other than CMS.

BID SURETY BOND VALUE: $50,000.00

Competitive Bidding Area (CBA) covered by this Bid Surety Bond: _____

KNOW ALL PERSONS BY THESE PRESENTS, that subject to the terms, conditions, and limitations of this Bid Surety Bond, the PRINCIPAL and SURETY are held and firmly bound unto the United States of America, acting through CMS, a component agency of HHS, as OBLIGEE, in the BID SURETY BOND VALUE of FIFTY THOUSAND AND NO/100 Dollars ($50,000.00) for the payment of which PRINCIPAL and SURETY bind themselves, their heirs, executors, administrators and assigns, jointly and severally, by these presents.

WHEREAS, PRINCIPAL is a bidder in the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program and has submitted a bid to furnish competitively bid items and services for the CBA identified above; and

WHEREAS, pursuant to Section 522 of the Medicare Access and CHIP Reauthorization Act of 2015 ("MACRA") (Pub. L. 114-10), Section 1847(a)(1)(G)-(H) of the Social Security Act (42 U.S.C. 1395w-3(a)(1)(G)-(H)), and related regulations at 42 CFR §414.412(g), the PRINCIPAL is required to obtain, and provide proof of having obtained, a bid surety bond as a condition of submitting a bid for the Medicare DMEPOS Competitive Bidding Program, and this Bid Surety

Bond is provided in compliance with the PRINCIPAL's obligations as set forth in MACRA and the related federal statutes and regulations.

This Bid Surety Bond is intended to be a statutory bond pursuant to the statutes and regulations set forth above, the terms and conditions of which are incorporated herein by reference.

NOW THEREFORE, if OBLIGEE (to include OBLIGEE's acting through its Competitive Bidding Implementation Contractor) offers a contract to the PRINCIPAL, and the PRINCIPAL does not accept the contract offer for a product category where the PRINCIPAL'S composite bid(s), as defined at 42 CFR §414.402, is at or below the median composite bid rate(s) for all bidding entities included in the calculation of the single payment amounts for the product category in the CBA identified above, this shall constitute an event of default, and upon written notice of same to the SURETY by the OBLIGEE, SURETY shall promptly tender the BID SURETY BOND VALUE of this Bond to the OBLIGEE via electronic funds transfer.

If the PRINCIPAL is not offered a contract or if the PRINCIPAL is offered a contract for a product category where its median composite bid is above the median composite bid rate, the Bid Surety Bond shall be null and void upon issuance of appropriate notice to both the PRINCIPAL and the SURETY by the OBLIGEE.

All notices to the SURETY shall be sent to the address listed on the first page of this Bid Surety Bond.

In witness whereof, the undersigned PRINCIPAL and SURETY have set their hands and seals on this _____ day of _____, 20__.

PRINCIPAL

_____

_____
Print Name

SURETY

_____
Surety TIN: _____
Agent TIN: _____ (if separate from Surety)

Disclaimer: This Sample Bid Surety Bond Template is for education purposes only and may not reflect an actual bid surety bond provided by a surety. It is the responsibility of a bidder to obtain a bid surety bond(s) meeting the requirements specified in 42 CFR §414.412(g).