

Surety Bond
Suppliers of Durable Medical Equipment, Prosthetics, Orthotics and Supplies
Medicare Program

KNOW ALL PERSONS BY THESE PRESENTS, that subject to the terms, conditions and limitations of this bond, _____, as Principal, and ___[SURETY NAME AND MAILING ADDRESS]_____, a corporation organized and existing under the laws of _____, as Surety, are held and firmly bound unto the Centers for Medicare & Medicaid Services (“CMS”), an agency of the United States Department of Health and Human Services (“CMS”), as Obligee, in the Penal Sum of _____ Dollars (\$_____) 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 enrolled in or is seeking to be enrolled in the Medicare program as a supplier of durable medical equipment, prosthetics, orthotics and supplies (“DMEPOS”); and

WHEREAS, pursuant to Section 4312(a) of the Balanced Budget Act of 1997 (Pub. L. 105-33) and 42 CFR § 424.57, the Principal is required to provide a surety bond as a condition of participation in the Medicare program, and this bond is provided in compliance with the supplier’s obligations as set forth in those authorities.

NOW THEREFORE, the condition of this Bond is that if the Principal shall pay the Obligee any unpaid claims, civil money penalties and assessments (as such terms are defined by 42 CFR § 424.57(a)) then this Bond shall be null and void, otherwise to remain in full force and effect, subject, however, to the following:

1. Principal and Surety are liable under this Bond for only the amount of any unpaid claim, civil money penalty or assessment imposed by CMS or the Office of Inspector General, plus accrued interest, for which the Principal is responsible and for which, subject to Paragraph 7, the Obligee first demands payment from the Surety during the term of this Bond; provided, however, that any claim under this Bond must be related to overpayments or other events that occurred on or after March 3, 2009.
2. Surety agrees to pay a claim within 30 days of receiving written notice of the claim and sufficient evidence (as such term is defined by 42 CFR § 424.57(a)) to establish Surety’s liability under this Bond.
3. CMS is the sole Obligee of this Bond, and no action may be brought on it by, or for the use or benefit of, any person or entity other than CMS or its contractors.
4. Regardless of the number of years this Bond is in effect, the number of premiums paid, or the number of claims made, the Surety’s aggregate liability shall not be more than the penal sum of this Bond.
5. Subject to Paragraph 7, the Surety’s liability under this Bond shall terminate and the Surety shall have no further liability upon the effective date of cancellation or expiration of this Bond by the Surety or Principal in accordance with Paragraph 6 of this Bond.

6. The Surety or Principal may cancel this Bond by providing written notice of such cancellation to the Oblige. Cancellation or expiration shall be effective 30 days after notice of cancellation or expiration is sent to the Oblige's contractor, the National Supplier Clearinghouse, provided such notice is actually received.
7. In the event this Bond is cancelled or expires, and the Principal fails to submit a new bond to the Oblige, the Surety remains liable for unpaid claims, civil money penalties or assessments that were imposed or assessed by CMS or the Office of Inspector General during the 2 years following the effective date of cancellation or expiration of this Bond.

In witness whereof, the undersigned Principal and Surety have set their hands and seals on this _____ day of _____, 20_____.

Principal

FOR DETAILS

Surety

Surety TIN:

Agent TIN:

(if applicable)