

# Repayment Mechanism Arrangements Guidance

## Appendix G: Letter of Credit Amendment


Use of the format and text as shown in the template letter of credit amendment may expedite CMS' review and should minimize the potential need for revisions, but it does not guarantee CMS' approval of the repayment mechanism documentation (particularly if it has been modified). If the Accountable Care Organization (ACO) and/or banking institution chooses to modify the template, the ACO and/or banking institution should use Track Changes in a Word document when submitting the draft to CMS for review.

### Instructions:

- Complete fields marked in bracketed and bolded text as instructed.
- According to the preferences of the banking institution issuing the letter of credit amendment, provide documentation on letterhead or security paper with the banking institution's logo.

*Disclaimers: The contents of this document do not have the force and effect of law and are not meant to bind the public in any way, unless specifically incorporated into a contract. This document is intended only to provide clarity to the public regarding existing requirements under the law.*

*This communication material was prepared as a service to the public and is not intended to grant rights or impose obligations. It may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of its contents.*



AMENDMENT TO STANDBY LETTER OF CREDIT

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: **[Letter of Credit #]**  
AMENDMENT NUMBER: **[Amendment #]**

ISSUING INSTITUTION (“Issuer”) Name & Address:

**[Issuing Institution Name]**

**[Issuing Institution Address]**

BENEFICIARY Name & Address:

CENTERS FOR MEDICARE & MEDICAID SERVICES (“CMS”)  
ATTN: KAREN MCVEARRY, CM/PERFORMANCE-BASED PAYMENT POLICY GROUP  
7500 SECURITY BLVD  
MAIL STOP: C5-15-12  
BALTIMORE, MD 21244  
Phone: 410-786-5604  
Email: [sharesavingsprogram@cms.hhs.gov](mailto:sharesavingsprogram@cms.hhs.gov)

APPLICANT Accountable Care Organization (“ACO”) Legal Entity Name & Address:

**[ACO Legal Entity Name]**

**[ACO Legal Entity Address]**

ISSUANCE DATE: **[Execution Date of Letter of Credit Amendment]**

We hereby amend the above referenced irrevocable standby letter of credit as follows:

The value of this letter of credit is changed to USD **[New Amount]**

The Expiration Date is amended to: (select one)

The expiration date of this letter of credit is **[Date]**, which is 12 months following the conclusion of the last performance year of the Applicant’s agreement period in the Medicare Shared Savings Program.

The initial expiration date of this letter of credit is 12/31/ **[Date that is the last day of the ACO's second performance year under a two-sided model covered by this letter of credit, i.e. the second calendar year from the issuance date of this letter of credit ]**, provided that this letter of credit will be automatically extended for an additional 12-month period from the initial expiration date and annually thereafter, such that the term of this letter of credit will eventually cover all remaining performance year(s) of the Applicant’s agreement period under a two-sided model and end on 12/31/ **[Final expiration year]**, which is 12 months following the conclusion of the last performance year of the Applicant’s agreement period. If Issuer elects not to automatically extend this letter of credit for any additional period, it must provide Beneficiary with at least ninety (90) days advance written notice of non-extension. The Issuer’s written notice must be sent by traceable carrier to Beneficiary’s above-stated address.

**[If applicable – Any additional modifications that are needed (I.E. legal entity name change). If no additional modification is needed remove this paragraph.]**

All other terms and conditions remain unchanged.

If you require any assistance or have any questions regarding this transaction, contact:

**[issuing institution contact (first and last name), phone number].**

**[Issuing institution name]**

By:

\_\_\_\_\_  
Authorized signature

Printed Name:

\_\_\_\_\_

Title:

\_\_\_\_\_