

Repayment Mechanism Arrangements Guidance

Appendix H: Language Surety Bond Rider


Use of the format and text as shown in the template surety bond rider 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 financial institution issuing the surety bond rider, provide documentation on letterhead or security paper with the financial 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.

A decorative graphic at the bottom of the page consisting of a blue wave on the left that transitions into a yellow wave on the right.

SURETY BOND RIDER

To be attached to and form part of:

Bond Number: **[Surety Bond #]**
Effective: **[Commencement Date of original Surety Bond]**
Issued by: **[Surety Company Legal Entity Name]** (Surety)
On behalf of: **[ACO Legal Entity Name]** (Principal)
And in favor of: Centers for Medicare & Medicaid Services (“CMS”) (Obligee)

Now therefore, it is agreed that the above referenced Bond shall be modified as follows:

To reflect the new bond amount of \$ **[Amount]**

The bond term shall be amended to:

As indicated, the end date of the term of the Bond is as follows (select one):

The term of this Bond shall end on **[Date]**, which is 12 months following the conclusion of the last performance year of the Principal’s Agreement.

The term of this Bond shall end on 12/31/ **[Date that is the last day of the ACO's second performance year under a two-sided model covered by this surety bond, i.e. the second calendar year from the issuance date of this surety bond]**, provided that this Bond will be automatically extended for an additional 12-month period from the initial expiration date and annually thereafter, such that the term of this Bond will eventually cover all remaining Performance Year(s) of the Principal’s Agreement 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 Principal’s Agreement. If Surety elects not to automatically extend this Bond for any additional period, it must provide Obligee with at least ninety (90) days advance written notice of non-extension.

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

Except as expressly modified herein, all other terms and conditions of the above referenced bond shall remain unchanged.

This Rider is to be effective **[# of day]** of **[Month, Year]**.

In witness whereof, the undersigned Principal and Surety have set their hands and seals on this **[# of day]** of **[Month, Year]**.

[ACO Legal Entity Name]

By: **[Signature]**

Name: **[Printed Name]**

Title: **[Title]**

[Surety Company Name]

By: **[Signature]**

Name: **[Printed Name]**

Attorney in Fact