



<b>HHSC UNIFORM MANAGED CARE MANUAL</b>	CHAPTER <b>6.4.5</b>	PAGE <b>1 of 3</b>
	EFFECTIVE DATE <b>August 1, 2016</b>	
<b>MEDICAID/CHIP PERFORMANCE BOND</b>		<b>Version 2.3</b>

#### DOCUMENT HISTORY LOG

STATUS <sup>1</sup>	DOCUMENT REVISION <sup>2</sup>	EFFECTIVE DATE	DESCRIPTION <sup>3</sup>
Baseline	1.0	September 15, 2009	Initial version of Uniform Managed Care Manual Chapter 6.4.5, Medicaid/CHIP Performance Bond.
Revision	1.1	September 1, 2010	Chapter 6.4.5 Medicaid/CHIP Performance Bond is modified to reflect the appropriate date range and total aggregate amount of the bond.
Revision	2.0	September 1, 2011	Revision 2.0 applies to contracts issued as a result of HHSC RFP numbers 529-06-0293, 529-08-0001, 529-10-0020, 529-12-0002, and 529-12-0003.  Chapter 6.4.5 Medicaid/CHIP Performance Bond is modified to change the due date of the initial performance bond, and to include clerical changes.
Revision	2.1	October 15, 2014	Version 2.1 applies to contracts issued as a result of HHSC RFP numbers 529-06-0293, 529-08-0001, 529-10-0020, 529-12-0002, 529-12-0003, and 529-13-0042; and to Medicare-Medicaid Plans (MMPs) in the Dual Demonstration.
Revision	2.2	November 15, 2015	Version 2.2 applies to contracts issued as a result of HHSC RFP numbers 529-08-0001, 529-10-0020, 529-12-0002, 529-12-0003, 529-13-0042, 529-13-0071, and 529-15-0001; and to Medicare-Medicaid Plans (MMPs) in the Dual Demonstration.
Revision	2.3	August 1, 2016	Chapter 6.4.5 Medicaid/CHIP Performance Bond is modified to require initial delivery prior to the operational start date of the contract, and to update the physical address for notice of termination by surety.
<p><sup>1</sup> Status should be represented as "Baseline" for initial issuances, "Revision" for changes to the Baseline version, and "Cancellation" for withdrawn versions</p> <p><sup>2</sup> Revisions should be numbered according to the version of the issuance and sequential numbering of the revision—e.g., "1.2" refers to the first version of the document and the second revision.</p> <p><sup>3</sup> Brief description of the changes to the document made in the revision.</p>			

**STATE OF TEXAS**  
**MEDICAID/CHIP PROGRAM PERFORMANCE BOND**

State of Texas                    )  
  )  
County of                         )

Surety Bond No. \_\_\_\_\_

This performance bond (bond) is executed by \_\_\_\_\_,  
as principal, (PRINCIPAL) and \_\_\_\_\_ as Surety,  
(SURETY), in favor of the Texas Health and Human Services Commission (HHSC). The purpose of this  
Bond is to secure SURETY in favor of HHSC (OBLIGEE), and to secure the PRINCIPAL's performance  
of all duties and obligations contained in the Contract(s) for Services (Contract(s)) by and between HHSC  
and the PRINCIPAL (hereinafter HMO Contract(s)). A copy of the Contract(s) is/are attached and made a  
part of this Bond.

1.       TERM. The effective date of this Bond is \_\_\_\_\_. The Bond will continue  
in effect through \_\_\_\_\_ unless amended or renewed as set forth below. The  
PRINCIPAL must deliver the initial performance bond to HHSC prior to the Operational Start  
Date of the Contract, and each renewal bond prior to September 1<sup>st</sup> each following year. The  
performance bond must continue to be in effect for one (1) year following the expiration of the  
final renewal period.
  
2.       AMOUNT. The total aggregate liability of the SURETY under this Bond is One Hundred  
Thousand dollars (\$100,000.00) for each HHSC Program within each Service Area that the  
PRINCIPAL covers under its HMO Contract(s) with HHSC. The aggregate total of this Bond is  
\_\_\_\_\_.
  
3.       DEMAND FOR PAYMENT. If the PRINCIPAL fails to perform its obligations and duties under  
the Contract, HHSC may make demands upon the SURETY for payment of the Bond, or any  
portion of the Bond, by certified mail with return receipt, or verified facsimile, or hand delivery.  
SURETY shall make payment of the demanded amount within 30 days from the date the demand  
is received.
  
4.       TERMINATION BY HHSC. This Bond may be terminated by HHSC by giving the SURETY  
sixty (60) days written notice of termination. The notice of termination shall be sent to the  
SURETY by certified mail with return receipt, or verified facsimile, or hand delivery at  
\_\_\_\_\_  
(address of the SURETY). The  
termination date shall be calculated as sixty (60) days from the date notice was received by the  
SURETY. The liability of the SURETY will cease on the termination date, but the termination of  
the Bond will not affect any liability incurred or accrued prior to the date of termination.
  
5.       TERMINATION BY SURETY. This Bond may be terminated by the SURETY by giving HHSC  
and the PRINCIPAL sixty (60) days written notice of termination including explanation of  
termination. The notice of the termination shall be sent to HHSC by certified mail with return  
receipt, or verified facsimile, or hand delivery to HHSC, Health and Human Services Commission,  
Director - MCD Financial Reporting, 11501 Burnet Rd, Bldg. 902, 3<sup>rd</sup> Floor, Mail Code 1519,  
Austin, Texas 78758. The notice of termination shall be sent to the PRINCIPAL by certified mail  
with return receipt, or verified facsimile, or hand delivery at  
\_\_\_\_\_  
(address of PRINCIPAL). The  
termination date shall be calculated as sixty (60) days from the date notice was received by HHSC.  
The obligations of the SURETY shall cease on the termination date, but the termination of the  
Bond will not affect any liability incurred or accrued prior to the date of termination.

6. LAW GOVERNING. This Bond shall be governed by the laws of the State of Texas. The exclusive venue and jurisdiction for any proceeding on this Bond shall be in State District Courts of Travis County, Texas.
7. NON-ASSIGNABLE. None of the rights, duties or obligations owned under this Bond may be assigned without the prior written consent of the SURETY and HHSC.
8. All rights of action under this Bond belong to HHSC.

SIGNED AND AGREED on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
PRINCIPAL

By: \_\_\_\_\_  
Signature and Title of Authorized Officer or Principal

SIGNED AND AGREED on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Surety Company Name

\_\_\_\_\_  
Signature of Attorney-In-Fact

(Note: Attach to this Bond a properly certified copy of the Agent's Power of Attorney)

SURETY COMPANY MAILING ADDRESS AND TELEPHONE NUMBER:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_