



## SUMMARY OF CONTRACT TERMS - May 17, 2007

A contract supplier is responsible for fulfilling all terms of its contract. Contract suppliers will be held to all of the terms of their contracts for the length of the contract period. **The contract period dates are April 2008 thru March 2011, with the exception of Mail-Order Diabetic Supplies, whose contract period dates are April 2008 thru December 2009.**

CMS recompetes competitive bidding contracts at least once every three years.

Suppliers cannot discriminate against Medicare beneficiaries. The items a contract supplier furnishes to Medicare beneficiaries under its contract must be the same items furnished to other customers.

If a contract supplier is negotiating a change in ownership, the supplier must notify CMS 60 days before the effective date of the change. CMS may award a contract to an entity that merges with or acquires a contract supplier under the following circumstances:

- The successor entity meets all requirements applicable to contract suppliers.
- All required documentation regarding basic eligibility, accreditation, and financial requirements is submitted within 30 days prior to the anticipated effective date of change of ownership.
- If the successor entity is acquiring the assets of the contract supplier, an acceptable, signed novation agreement indicating that the successor entity will assume all contract obligations must be submitted at least 30 days before the anticipated effective date of the change of ownership.
- If a new entity will be formed as a result of the merger or acquisition, the existing contract supplier must submit a final draft novation agreement at least 30 days before the anticipated effective date of the change of ownership. The successor entity must submit an acceptable, signed novation agreement within 30 days after the effective date of the change of ownership.

A contract supplier must agree to furnish items under its contract to any beneficiary who maintains a permanent resident in or visits a Competitive Bidding Area (CBA) and requests those items from the contract supplier. There is one exception to this rule. A skilled nursing facility (SNF) or nursing facility (NF) that is a contract supplier that has elected to furnish bid items only to its own residents may not furnish these items or services to beneficiaries who are not residents.