

Resident Fund Surety Bond

STATE OF TEXAS \_\_\_\_\_ § BOND NUMBER \_\_\_\_\_  
\_\_\_\_\_ § \_\_\_\_\_  
COUNTY OF \_\_\_\_\_ § EFFECTIVE DATE \_\_\_\_\_

KNOW ALL BY THESE PRESENTS

RE: Name of Legal Entity: \_\_\_\_\_  
Name of Facility: \_\_\_\_\_  
Vendor Number: \_\_\_\_\_  
Street Address: \_\_\_\_\_  
City, State and ZIP Code: \_\_\_\_\_

That we, \_\_\_\_\_  
\_\_\_\_\_ (Name of legal entity

contracted to provide Medicaid Nursing Facility Services) as Principal (hereinafter called "Principal") and

\_\_\_\_\_ ,  
a surety company organized under the laws of the state of \_\_\_\_\_ and licensed to do business  
in the state of Texas as surety (hereinafter called "Surety") are held and firmly bound unto the residents of the above referenced  
facility and/or other responsible parties representing such residents according to the terms and conditions of this bond in the penal  
sum of \$ \_\_\_\_\_ for the payment of which, well and truly to be made, we bind ourselves, or heirs, executors,  
administrators, successors, and assigns, jointly and severally, firmly by these presents.

1. Whereas, the above-named Principal operates a nursing facility as defined in Chapter 242 of the Texas Health and Safety Code, and is a licensee under said Code, and
2. Whereas, federal statute (42 U.S.C.A. §1369r(c)(6)(C) and Texas Department of Aging and Disability Services regulations (40 TAC Chapter 19)) require the said Principal to assure the security of all personal funds of residents deposited with and entrusted to Principal;
3. NOW, THEREFORE, the condition of this obligation is such that the above named Principal shall: (1) well and truly hold separately and in trust all residents' funds deposited with Principal as a nursing home; (2) administer said funds on behalf of said residents in the manner directed by 42 U.S.C.A. §1396r(c)(6) and 40 TAC Chapter 19; (3) render true and complete accounts to the residents, the depositors and the Department of Aging and Disability Services when requested; and (4) upon termination of each said deposit, shall account for all funds received thereunder, expended and held on hand and shall return the full balance to the resident or other responsible party representing such resident in accordance with 40 TAC Chapter 19, then this obligation shall be null and void otherwise to remain in full force and effect.
4. PROVIDED FURTHER, that the amount of the penal sum established in paragraph one (1) above shall be no less than the maximum dollar amount of all resident funds accepted and managed by the Principal at any time during the one-year period preceding the date of execution of this bond, or the estimated maximum dollar amount of all such resident funds to be accepted and managed by the Principal at any time during the one-year period following the date of execution of this bond, whichever is greater, information regarding such amount to be provided by the Principal on Schedule A attached hereto and incorporated herein and with filed the Texas Department of Aging and Disability Services as provided in paragraph 6
5. PROVIDED FURTHER, that the aggregate obligation of the Principal and Surety under this bond shall be limited in total to the penal sum thereof as herein established or subsequently amended by any duly executed rider.

6. PROVIDED FURTHER, that this bond shall be executed by the Principal and Surety and filed together with the aforesaid Schedule A at the Texas Department of Aging and Disability Services, Regulatory Services Division, ICF/Nursing Facility Contract Unit (W-535), P.O. Box 149030, Austin, Texas 78714-9030.
7. PROVIDED FURTHER, that the term "resident" as employed in the bond shall include all persons presently and hereafter residing in the above referenced facility and all persons who after a term of residence in the above referenced facility are voluntarily or involuntarily discharged. The term "resident" as employed in this bond shall be limited to residents receiving Medicaid payments unless the personal funds of Medicaid recipients are commingled with or deposited in a pooled account with the personal funds of private pay residents, in which case the term "resident" applies also to private pay residents whose funds are so situated.
8. PROVIDED FURTHER, that the term "other responsible parties representing such residents" as employed in this bond shall include the resident's guardian, the parent of a minor resident, the resident's responsible party, a member of the resident's immediate family, the administrator or executor of the resident's estate, any person or agency serving as a source of financial support for the resident or any other person rightly entitled to resident funds held by the Principal.
9. PROVIDED FURTHER, that no recovery or enforcement action on this bond shall be maintained unless the Texas Department of Aging and Disability Services consents in writing to such recovery or action.
10. PROVIDED FURTHER, that this bond shall be continuous in for and may be terminated by the Surety upon its giving thirty (30) days written notice to the Principal of such termination, and the Surety shall simultaneously file a copy of such notice with the Texas Department of Aging and Disability Services at the address provided in paragraph 6 above. However, claims may be filed for a period of three years and ninety (90) days after the effective termination date in connection with any resident trust fund transactions occurring during the effective period of the bond.
11. IN WITNESS WHEREOF, we have duly executed the foregoing obligation this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Name of Surety \_\_\_\_\_

Attorney in Fact \_\_\_\_\_

Address of Surety PO Box 1635, Milwaukee, Wisconsin 53201

Name of Principal \_\_\_\_\_

by Agent of Principal \_\_\_\_\_

Address of Principal \_\_\_\_\_

Schedule A

1. Name of Principal \_\_\_\_\_  
Agent of Principal \_\_\_\_\_  
Address of Principal \_\_\_\_\_  
\_\_\_\_\_

2. Name of Surety \_\_\_\_\_  
Attorney in Fact \_\_\_\_\_  
Address of Surety \_\_\_\_\_  
PO Box 1635, Milwaukee, Wisconsin 53201 \_\_\_\_\_

3. Name of Facility \_\_\_\_\_

4. Date of Execution of bond between Principal and Surety \_\_\_\_\_, 20\_\_\_\_.

5. In the one-year period preceding the date indicated in paragraph 4 above the maximum dollar amount of all resident funds accepted and managed by the Principal at any time during such period is \$ \_\_\_\_\_.

6. For the one-year period following the date indicated in paragraph 4 above the estimated maximum dollar amount of all resident funds to be accepted and managed by the Principal at any time during such period is \$ \_\_\_\_\_.

7. The greater of the two dollar amounts indicated in paragraph 5 and 6 of this Schedule A shall be the minimum dollar amount of the penal sum indicated in paragraph 1 of the Resident Fund Surety Bond \_\_\_\_\_.

