

A	B	C	D	E	F	G	H	I	J	K	L	M	
1	Program No 0261S Term 11/01/2013 To 10/31/2014												
2	TITLE: Notice of Medicare Premium Payment Due (CMS-500) English/Spanish Mailing Kits												
3													
4				ABR SERVICES	DATA INTEGRATORS			NPC, INC.	OUTPUT SERVICES GROUP	RR DONNELLEY			
5			WOODBIDGE, VA	FREDERICKSBURG, VA	CLAYSBURG, PA	ENGLEWOOD, NJ	CHEVY CHASE, MD						
6		BASIS OF AWARD	UNIT	COST	UNIT	COST	UNIT	COST	UNIT	COST	UNIT	COST	
7	Item No.	DESCRIPTION											
8		COMPLETE PRODUCTION AND DISTRIBUTION:											
9													
10	(a)	Producing Premium Bill Mailing Kit.....English.....per 1,000	7,800	64.54	\$ 503,412.00	70	\$ 546,000.00	65	\$ 507,000.00	65	\$ 507,000.00	76.15	\$ 593,970.00
11	(b)	Producing Premium Bill Mailing Kit.....Spanish.....per 1,000	120	64.54	\$ 7,744.80	70	\$ 8,400.00	93	\$ 11,160.00	65	\$ 7,800.00	76.15	\$ 9,138.00
12													
13		ADDITIONAL OPERATIONS:											
14													
15	©	Bill Stuffer (English and Spanish).....(one color).....per 1000 kits.....	1,750	15	\$ 26,250.00	16	\$ 28,000.00	10	\$ 17,500.00	14	\$ 24,500.00	20.76	\$ 36,330.00
16	(d)	Special Bill Stuffer (English and Spanish).....(two color).....per 1000 kits.....	1,112	15	\$ 16,680.00	19	\$ 21,128.00	12	\$ 13,344.00	19	\$ 21,128.00	24.24	\$ 26,954.88
17	€	Special Bill Stuffer (English and Spanish).....(one color).....per 1000 kits.....	650	15	\$ 9,750.00	16	\$ 10,400.00	10	\$ 6,500.00	14	\$ 9,100.00	20.66	\$ 13,429.00
18	(f)	Additional Prior to Production Samples (English).....per 1000 samples	1	64.54	\$ 64.54	300	\$ 300.00	1000	\$ 1,000.00	200	\$ 200.00	554	\$ 554.00
19	(g)	Additional Prior to Production Samples (Spanish).....per 1000 samples	5	64.54	\$ 322.70	300	\$ 1,500.00	300	\$ 1,500.00	50	\$ 250.00	55	\$ 275.00
20													
21		CONTRACTOR TOTALS			\$ 564,224.04		\$615,728.00		\$558,004.00		\$569,978.00		\$680,650.88
22		DISCOUNT		2.00%	\$11,284.48	2.00%	\$12,314.56	0.25%	\$1,395.01		\$0.00		\$0.00
23		DISCOUNTED TOTALS			\$552,939.56		\$603,413.44		\$556,608.99		\$569,978.00		\$680,650.88
24													
25													
26													
27													
28				SOURCELINK OHIO, LLC	TWIN CITY COURIER, INC			Current Contractor					
29				DAYTON, OHIO	HILDALE, UTAH			NPC, INC					
30								CLAYSBURG, VA					
31	Item No.	Description		UNIT	COST	UNIT	COST						
32		COMPLETE PRODUCTION AND DISTRIBUTION:											
33													
34	(a)	Producing Premium Bill Mailing Kit.....English.....per 1,000	7,800	48.108	\$ 375,242.40	80.00	\$ 624,000.00	76.5	\$ 596,700.00				
35	(b)	Producing Premium Bill Mailing Kit.....Spanish.....per 1,000	120	61.441	\$ 7,372.92	71.00	\$ 8,520.00	120	\$ 14,400.00				
36													
37		ADDITIONAL OPERATIONS:											
38													
39	©	Bill Stuffer (English and Spanish).....(one color).....per 1000 kits.....	1,750	10.305	\$ 18,033.75	85.00	\$ 148,750.00		\$ -				
40	(d)	Special Bill Stuffer (English and Spanish).....(two color).....per 1000 kits.....	1,112	18.823	\$ 20,931.18	85.00	\$ 94,520.00	18	\$ 20,016.00				
41	€	Special Bill Stuffer (English and Spanish).....(one color).....per 1000 kits.....	650	18.823	\$ 12,234.95	85.00	\$ 55,250.00	18	\$ 11,700.00				
42	(f)	Additional Prior to Production Samples (English).....per 1000 samples	1	NC	\$ -	275.00	\$ 275.00	1000	\$ 1,000.00				
43	(g)	Additional Prior to Production Samples (Spanish).....per 1000 samples	5	NC	\$ -	150.00	\$ 750.00	300	\$ 1,500.00				
44													
45		CONTRACTOR TOTALS			\$ 433,815.20		\$932,065.00		\$645,316.00				
46		DISCOUNT		0.00%	\$0.00	5.00%	\$46,603.25	0.25%	\$1,613.29				
47		DISCOUNTED TOTALS			\$433,815.20		\$885,461.75		\$643,702.71				

U.S. GOVERNMENT PRINTING OFFICE
Washington, DC

GENERAL TERMS, CONDITIONS, AND SPECIFICATIONS

For the Procurement of
Notice of Medicare Premium Payment Due (CMS-500) English/Spanish Mailing Kits

as requisitioned from the U.S. Government Printing Office (GPO) by the

Department of Health and Human Services
Centers for Medicare & Medicaid Services

Single Award

TERM OF CONTRACT: The term of this contract is for the period beginning November 1, 2013 and ending October 31, 2014 and plus up to four (4) optional 12-month extension periods that may be added in accordance with the "OPTION TO EXTEND THE TERM OF THE CONTRACT" clause in SECTION 1 of this contract.

NOTICE TO BIDDERS: A two-month pre-award testing period will take place prior to the start of the contract (See page 13, "PRE-AWARD TESTING PERIOD".)

BID OPENING: Bids shall be publicly opened at 11 a.m., prevailing Washington, D.C. time, on August 19, 2013.

BID SUBMISSION: Submit bid in pre-addressed envelope furnished with solicitation, or send to: U.S. Government Printing Office, Bid Section, Room C-161, Stop: PPSB, 36 H street, NW, Washington, D.C. 20401. Facsimile bids in response to this solicitation are permitted. Facsimile bids may be submitted directly to the GPO Bid Section, FAX No. (202) 512-1782. The Program number and bid opening date must be specified with the bid. Refer to Facsimile Bids in Solicitation Provisions of GPO Contract Terms, GPO Publication 310.2 as revised June, 2001.

PRODUCTION AREA: It is assumed that all production facilities used in the manufacture of the product(s) ordered under this contract will be located within a 60-mile radius of zero milestone Washington, D.C.

PROGRAM NUMBER FOR THIS SOLICITATION HAS BEEN CHANGED FROM 667-S TO 261-S.

BIDDERS, PLEASE NOTE: These specifications have been revised; therefore, all bidders are cautioned to familiarize themselves with all provisions of these specifications before bidding.

Abstracts of contract prices are available at <http://winapps.access.gpo.gov/ppd/abstracts/central/default.asp>

For information of a technical nature call Kariane Smith (202) 512-1164 (No collect calls).

SECTION 1 - GENERAL TERMS AND CONDITIONS

GPO CONTRACT TERMS: Any contract which results from this Invitation for Bid will be subject to the applicable provisions, clauses, and supplemental specifications of GPO Contract Terms (GPO Pub. 310.2, effective December 1, 1987 (Rev. 6-01)) and GPO Contract Terms, Quality Assurance Through Attributes Program (GPO Pub. 310.1, effective May 1979 (revised 8-02)).

DISPUTES: "GPO Publication 310.2, GPO Contract Terms, Contract Clause 5. Disputes, is hereby replaced with the June 2008 clause found at www.gpo.gov/printforms/pdf/contractdisputes.pdf. This June 2008 clause also cancels and supersedes any other disputes language currently included in existing contractual actions".

GPO CONTRACT TERMS IS AVAILABLE ON GPO WEB SITE AT
<http://www.gpo.gov/printforms/index.html>

GPO PUB. 310.1 IS AVAILABLE ON GPO WEB SITE AT
<http://www.gpo.gov/printforms/index.html>

PREDOMINANT PRODUCTION FUNCTION: Computerized imaging and mailing.

SUBCONTRACTING: The predominant production functions are downloading files, manipulating data from TIBCO MFT or the Gentrant (back up mailbox), computerized variable imaging, mailing, and printing of bill stuffers and static forms. These items CANNOT be subcontracted. All other items, including envelope manufacturing and printing are not considered part of the predominant production functions. Bidder who must subcontract any of the predominant production functions will be declared non-responsible.

The U.S. Government Printing Office (GPO) is an office in the legislative branch of the United States Government. Accordingly, the Federal Acquisition Regulation is inapplicable to this, and all GPO procurements. However, the text of certain provisions of the Federal Acquisition Regulation as contained in the Code of Federal Regulations (CFR), are referenced in this solicitation. The offeror should note that only those provisions of the Federal Acquisition Regulation which are specifically incorporated by reference into this solicitation are applicable.

FACSIMILE BIDS: The solicitation provision in GPO Contract Terms (Pub. 310.2) permitting facsimile bids means a bid that has been transmitted to and has been received by a commercial enterprise via facsimile and subsequently delivered to the Government. Facsimile bids transmitted to GPO offices will not be considered.

SECURITY: The contractor awarded this contract will be in custody of Government owned material considered Personally Identifiable Information (PII). **See pages 10 through 13 for security requirements of this contract.**

WARRANTY: The provisions of Article 15, "Warranty". Of Contract Clauses in GPO Contract Terms is amended for the solicitation to the effect that the warranty period is EXTENDED from 120 days to one calendar year from the date the check is tendered as final payment. All other provisions remain the same.

QUALITY ASSURANCE LEVELS AND STANDARDS: The following levels and standards shall apply to these specifications:

Product Quality Levels:

- (a) Printing (page related) Attributes -- Level III.
- (b) Finishing (item related) Attributes -- Level III.

Inspection Levels (from ANSI/ASQC Z1.4):

- (a) Non-destructive Tests -- General Inspection Level I.
- (b) Destructive Tests -- Special Inspection Level S-2.

Specified Standards: The specified standards for the attributes requiring them shall be:

<u>Attribute</u>	<u>Specified Standard</u>
P-7. Type Quality and Uniformity	Furnished camera copy.
P-9. Solid and Screen Tint Color Match	Pantone Matching System.

UNIQUE IDENTIFICATION NUMBER: Government will furnish human readable, unique identification numbers for each notice, which will be used to track each page of each individual notice, thereby providing 100% accountability. This enables the contractor to track each notice through completion of the project. The contractor will be required to create a test sample every 4,000 notices. This sample must have a unique number and must be produced on each page of each notice. The contractor will generate a list from the unique identifying numbers for each sampling. As samples are pulled, the unique numbers will be marked off the list.

RECOVERY SYSTEM: A recovery system will be required to ensure that all defective, missing, or mutilated pieces detected are identified, reprinted and replaced. The contractor's recovery system must use the unique alpha/numeric identifiers assigned to each piece (including quality control samples) to aid in the recovery and replacement of any defective, missing, or mutilated pieces, and must be capable of tracking and/or locating any individual piece of mail from the time it is downloaded from TIBCO, up to and including when it is off-loaded at the U.S. Postal Service (USPS) facility. An explanation of the contractor's sequential numbering system is required to understand the audit trail required for each and every piece.

VERIFICATION OF PRODUCTION AND MAILING: Contractor must have a tracking process (defined below) providing **100% accountability of production and mailing** to determine that the data from the original print file is in the correct envelope with the correct number of pages. Notices requiring print regeneration must be reprinted from their original print image with the original job ID and piece ID remaining unchanged as each mail piece continues through the inserting life cycle. This process will repeat itself (since subsequent reprint runs may yield damages) until all mail pieces from the original print run have been inserted and accounted for.

Tracking Process – A method for generating a plurality of mail pieces including error detection and reprinting capabilities. The method provides a mail handling process which tracks processing errors with the use of a first and second scan code which obtain information regarding each mail piece, diverts mail pieces in response to error detection, transmits such errors to a processor, and automatically generates a reconfigured print file to initiate reprints for the diverted mail pieces.

Tracking Reports – An Audit Report and a Summary Report shall be provided by the contractor as described below.

NOTE: Contractor must have all hardware, programming, and finalized reports in place to meet this requirement by the date of award and the start of live production.

Contractor must submit a sample of their proposed Audit and Summary reports with the required Preaward Production Plans for approval. The Government considers grounds for the immediate default of this contract if the contractor, at any time, is unable to perform or found not complying with any part of this requirement.

Notice integrity shall be defined as follows:

- Each notice shall include all pages (and only those pages) intended for the designated recipient as contained in the print files received from CMS.
- The contractor's printing process must have automated systems which can detect all sync errors, stop printing when detected, and identify, remove and reprint all effected notices.

Mailing integrity shall be defined as follows:

- All notices received from CMS for each file date were printed, inserted and entered correctly into the United States postal system.

- The contractor is responsible for providing the **automated** inserted notice tracking/reporting systems and processes required to validate that 100% of all notices received from CMS were printed, all pages for each notice with the correct inserts are accounted for, inserted and mailed correctly.

Automated System – The contractor’s inserting equipment must have automated systems that include notice coding and scanning technology capable of:

Uniquely identifying each notice and corresponding notice leaves within each individual file by mailer number and file date.

- (a) Entrance Scanning: A camera system must electronically track and scan all leaves of each mail piece as the inserting equipment pulls them into the machine to ensure each mail piece was produced and inserted. If there is any variance on a mail piece or if a mail piece is not verified that all leaves are present, that piece and the piece prior to and immediately following must be diverted and sent back for reprint. All instances of variance must be logged.
- (b) Touch and Toss: All spoilage, diverted, mutilated, or mail pieces that are acted upon directly by a human hand prior to sealing must be immediately recorded, discarded, properly destroyed, and automatically regenerated in a new print file for reprint. *Exception* - Intentionally diverted pieces due to a requirement for a product, which cannot be intelligently inserted and requires manual insertion such as a publication, can be sealed, re-scanned and placed back into production. These must be programmed diverts and sent to a separate bin for processing to ensure they are not mixed with other problem diverts and logged into the Audit system as such.
- (c) Exit Scanning: A camera system must be mounted just aft of the inserting equipment. This camera system must read a unique code through the window of each mail piece and capable of identifying and reporting all missing notices that were lost or spoiled during production for each individual file by mailer number and file date. This system ensures that no missing mail pieces have been inadvertently inserted into another mail piece. The equipment must check the mail pieces, after insertion and verification that all leaves are accounted for, and divert any suspect product. During exit scanning, if a sequence number is missing, the notice prior to and immediately after must be diverted. The equipment must divert all products that exhibit missing or out of order sequence numbers and any other processing errors. All diverted pieces are to be automatically recorded and regenerated in a new print file for reprint.
- (d) Reconciliation: All notices and the amount of correct finished product must be electronically accounted for after insertion through the use of the audit system that is independent of the inserting equipment as well as independent of the operator. The sequence numbers, for each file, must be reconciled; taking into account any spoilage, duplicate and/or diverted product. If the reconciliation yields divergent results, corrective action must be taken to locate the mail pieces that are causing any difference between the input and outputs of the inserting process. Therefore, all finished mail for that sequence run must be held in an accessible area until this reconciliation is complete.
- (e) Generate a new production file for all missing, diverted or mutilated notices (reprint file).
- (f) Contractor must generate an **automated audit report** from the information gathered from scanning for each mailer number, file date, and for each notice (manual inputs are not allowed). This audit report will contain detailed information for each notice as outlined above for each individual file by mailer number and file date.

Contractor is required to provide any requested Summary and/or Audit reports within an hour of a request via email in MS word, MS Excel or PDF.

- (g) Audit report must contain the following information:
 1. Job name
 2. Mailer number, file date and mail date(s)
 3. Machine ID

4. Date of production with start and end time for each phase of the run (i.e., machine ID).
5. Start and end sequence numbers in each run
6. Status of all sequence numbers in a run
7. Total volume in run
8. Status report for all incidents for each sequence number and cause (e.g., inserted, diverted, and reason for divert such as missing sequence number, missing leaves, mutilated, duplicate, pulled for inspection).
9. Bottom of audit report must contain total number of records for that run, quantity sent to reprint, number of duplicates, duplicates verified and pulled, and total completed.
10. Audit report must contain the same information for all the reprints married with this report as listed above showing that all pieces for each mailer number and file date are accounted for.

(h) Contractor must generate a **final automated 100% accountability summary report** for each individual file by mailer number and file date. This information must be generated directly from the audit report (manual inputs are not allowed). The summary report must contain the following:

1. Job name
2. Each individual file by mailer number and file date (must show sequence numbers for each section, i.e., first pass and then reprints).
3. Sequence number range for each individual file by mailer number and file date
4. Volume of all sequence numbers associated with an individual file by mailer number and file date that notices were inserted.
5. Volume of reprints that were inserted for each file date.
6. Volumes for each file date and date that each was completed.

Contractor must generate an automated audit report when necessary showing the tracking of all notices throughout all phases of production for each mail piece. This audit report will contain all information as outlined in items (f) and (g) above.

All audit, summary, and recipient-level report data must be retained in electronic form for 210 calendar days after mailing, and must be made available to CMS for auditing of contractor performance upon request.

NOTE: The Government will not as a routine matter request that the contractor produce individual pieces in transit within the plant, however, the contractor must demonstrate that they have an audit trail established that has the ability to comply with this type request when and if the need arises. The contractor's Quality Assurance System and the Verification of Production and Mailing must account for the number of pieces mailed.

The contractor shall monitor all aspects of the job including material handling and mail flow, to assure that the production and delivery of these notices meet specifications and Government requirements.

QUALITY CONTROL SAMPLE: The plans must provide a description of how the contractor will create quality control samples for periodic samplings to be taken during the production run, and shall contain control systems that will detect defective or missing/mutilated pieces.

OPTION TO EXTEND THE CONTRACT TERM: The Government has the option to extend the term of this contract by written notice to the contractor not later than 30 days before the contract expires. If the Government exercises an option, the extended contract shall be considered to include this clause. The total duration of this contract, including the exercise of any options under this clause, shall not exceed October 31, 2018.

Notwithstanding the above paragraph, at the request of the Government, the term of any contract resulting from this solicitation may be further extended for such period of time as may be mutually agreeable to the GPO and the contractor.

ECONOMIC PRICE ADJUSTMENT: The pricing under this contract shall be adjusted in accordance with this clause, provided that in no event will any pricing adjustment be made that would exceed the maximum permissible

under any law in effect at the time of the adjustment. There will be no adjustment for orders placed during the first period specified below. Pricing will thereafter be eligible for adjustment during the second and any succeeding performance period(s). For each performance period after the first, a percentage figure will be calculated as described below and that figure will be the economic price adjustment for that entire next period. Pricing adjustments under this clause are not applicable to reimbursable postage or transportation costs, or to paper, if paper prices are subject to adjustment by separate clause elsewhere in this contract.

For the purpose of this clause, performance under this contract will be divided into successive periods. The first period will extend from the beginning of the contract to October 31, 2014 and the second and any succeeding period(s) will extend for 12 months from the end of the last preceding period, except that the length of the final period may vary. The first day of the second and any succeeding period(s) will be the effective date of the economic price adjustment for that period.

Pricing adjustments in accordance with this clause will be based on changes in the seasonally adjusted "Consumer Price Index For All Urban Consumers - Commodities Less Food" (Index) published monthly in the CPI Detailed Report by the U.S. Department of Labor, Bureau of Labor Statistics.

The economic price adjustment will be the percentage difference between Index averages as specified in this paragraph. An index called the variable index will be calculated by averaging the monthly Indexes from the 12-month interval ending 3 months prior to the beginning of the period being considered for adjustment. This average is then compared to the average of the monthly Indexes for the 12-month interval ending July 31, 2013, called the base index. The percentage change (plus or minus) of the variable index from the base index will be the economic price adjustment for the period being considered for adjustment.

The Government will notify the contractor by contract modification specifying the percentage increase or decrease to be applied to invoices for orders placed during the period indicated. The contractor shall apply the percentage increase or decrease against the total price of the invoice less reimbursable postage or transportation costs and separately adjusted paper prices. Payment discounts shall be applied after the invoice price is adjusted.

PAYMENT: Submit all vouchers via FAX utilizing the GPO barcode coversheet program application. Instructions for the GPO barcode coversheet program application can be found at the following web address: <http://winapps.access.gpo.gov/fms/vouchers/barcode/instructions.html>.

In addition to the payment voucher submitted to GPO for billing, the contractor is required to fax (410 786-4786, or mail a copy of the billing to HHS/CMS, 7500 Security Blvd, Mail Stop SL-12-18, Attn: Julian Lowery, Baltimore, MD 21244-1850.

ASSIGNMENT OF JACKETS, PURCHASE AND PRINT ORDERS: A GPO jacket number will be assigned and a purchase order issued to the contractor to cover work performed. The purchase order will be supplemented by an individual "print order" for each job placed with the contractor. The print order, when issued, will indicate the quantity to be produced and any other information pertinent to the particular order.

PERFORMANCE BOND: The successful bidder will be required to execute and return to the GPO a performance bond on Standard Form 25 in the penal sum of \$100,000 to insure performance of the contract in accordance with the specifications and conditions set forth herein. Such bond, with good and sufficient surety or sureties acceptable to the Government, must be provided within ten (10) workdays after the form has been furnished to the contractor by the GPO.

ORDERING: Items to be furnished under the contract shall be ordered by the issuance of print orders by the Government. Orders may be issued under the contract from Date of Award through October 31, 2014 plus for such additional period(s) as the contract is extended. All print orders issued hereunder are subject to the terms and conditions of the contract. The contract shall control in the event of conflict with any print order. A print order shall be "issued" for purposes of the contract, when it is either deposited in the U.S. Postal Service mail or otherwise furnished

to the contractor in conformance with the schedule.

REQUIREMENTS: This is a requirements contract for the items and for the period specified herein. Shipment/delivery of items or performance of work shall be made only as authorized by orders issued in accordance with the clause entitled "Ordering". The quantities of items specified herein are estimates only, and are not purchased hereby. Except as may be otherwise provided in this contract, if the Government's requirements for the items set forth herein do not result in orders in the amounts or quantities described as "estimated", it shall not constitute the basis for an equitable price adjustment under this contract.

Except as otherwise provided in this contract, the Government shall order from the contractor all the items set forth which are required to be purchased by the Government activity identified on page 1.

Orders issued during the effective period of this contract and not completed within that time shall be completed by the contractor within the time specified in the order, and the rights and obligations of the contractor and the Government respecting those orders shall be governed by the terms of this contract to the same extent as if completed during the effective period of this contract.

If shipment/delivery of any quantity of an item covered by the contract is required by reason of urgency prior to the earliest date that shipment/delivery may be specified under this contract, and if the contractor will not accept an order providing for the accelerated shipment/delivery, the Government may procure this requirement from another source. The Government may issue orders which provide for shipment/delivery to or performance at multiple destinations.

Subject to any limitations elsewhere in this contract, the contractor shall furnish to the Government all items set forth herein which are called for by print orders issued in accordance with the "Ordering" clause of this contract.

PREAWARD SURVEY: In order to determine the responsibility of the prime contractor or any subcontractor, the Government reserves the right to conduct an on-site preaward survey at the contractor's/subcontractor's facility or to require other evidence of technical, production, managerial, financial, and similar abilities to perform, prior to the award of a contract. Attending the preaward survey will be representatives from the Government Printing Office and/or the Centers for Medicare & Medicaid Services. Also, the Government reserves the right to conduct postaward surveys as needed.

If award is predicated on the purchase of production and/or systems equipment, the contractor must provide purchase order(s) with delivery date(s) of equipment to arrive prior to award.

Production Plans – The contractor shall present, in writing, to the Contracting Officer within five (5) workdays of being notified to do so by the Contracting Officer or his/her representative, detailed plans for each of the following activities. The workday after notification to submit will be the first day of the schedule.

These proposed plans are subject to review and approval by the Government and award will not be made prior to approval of same.

Backup Facility Plan – The contractor must have two or more facilities that have the capability to perform all requirements of the contract. This clause is to allow for continuous production with back-up facilities if for any reason(s) (act of God, labor disagreements, etc.) the initial production facility is unable to meet all the requirements of the contract.

The back-up facilities, equipment, and personnel that have completed the required security documents must be available to the Contracting Officer as part of the pre-award survey.

Failure to have a back-up facility will result in a non-responsible determination.

NOTE: THE GOVERNMENT RESERVES THE RIGHT TO WAIVE SOME OR ALL OF THE FOLLOWING PLANS:

Quality Control Plan – The contractor shall provide and maintain, within their own organization, an independent quality

assurance organization of sufficient size and expertise to monitor the operations performed and inspect the products of each operation to a degree and extent that will ensure the Government's quality assurance, inspection and acceptance provisions specified herein are met. The contractor shall perform, or have performed, the process controls, inspections and tests required to substantiate that the products provided under this contract conform to the specifications and contract requirements. The contractor shall describe in detail their quality control/quality assurance and recovery plans describing how, when and by whom the plans will be performed.

The quality control plan must also include examples and a detailed description of all quality control samples and their corresponding inspection reports or logs the contractor will keep to document the quality control inspections performed on each run. Furthermore, the plan must include the names of all quality assurance officials and describe their duties in relationship to the quality control plan.

The quality control plan must account for the number of pieces mailed daily.

Quality Control Sample Plan – The plan must provide a description of how the contractor will create quality control samples for periodic samplings to be taken during the production run, provide for back-up and re-running in the event of an unsatisfactory sample and contain control systems that will detect defective, missing, or mutilated pieces.

The plan should include the sampling interval the contractor intends to utilize. The contractor will be required to create two quality control samples to be drawn from the production stream at the same time –

- One (1) sample will be drawn, inspected and retained as part of the contractor's quality assurance records.
- One (1) sample will be drawn for CMS and will be packed with the remaining samples associated with each print order and shipped to the CMS (address to be supplied at the postaward meeting).

The plan shall detail the actions to be taken by the contractor when defective, missing, or mutilated items are discovered. These actions must be consistent with the requirements found in GPO Contract Terms (GPO Publication 310.2, effective December 1, 1987 (Rev. 6-01)).

The plan shall monitor all aspects of the job including material handling and mail flow, to assure that the production and delivery of these notices meet specifications and Government requirements. This includes maintaining 100% accountability in the accuracy of imaging and mailing of all pieces throughout each run. The contractor must ensure that there are no missing or duplicate pieces.

The contractor must maintain quality control samples, inspection reports and records for a period of no less than 120 calendar days subsequent to the date of the check tendered for final payment by the Government Printing Office. The Government will periodically verify that the contractor is complying with the approved quality control plan through on-site examinations and/or requesting copies of the contractor's quality assurance records and quality assurance random copies.

Mail Plan – This plan should include sufficient detail as to how the contractor will comply with all applicable U.S. Postal Service (USPS) mailing requirements as listed in the USPS Domestic and International Mail Manuals in effect at the time of the mailing and other USPS instructional material such as the Postal Bulletin. The contractor must also disclose how they will achieve multi-level USPS automated presort postal discounts as outlined in the contract.

Material Handling and Inventory Control Plan – This plan should explain in detail how the following materials will be handled: incoming raw materials; work-in-progress materials; quality control inspection materials; USPS inspection materials; and all outgoing materials cleared for USPS pickup/delivery.

PRIVACY ACT NOTIFICATION: This procurement action requires the contractor to do one or more of the following: design, develop, or operate a system of records on individuals to accomplish an agency function in accordance with the Privacy Act of 1974, Public Law 93-579, December 31, 1974 (5 U.S.C. 552a) and applicable agency regulations. Violation of the Act may involve the imposition of criminal penalties.

PRIVACY ACT

(a) The contractor agrees:

(1) to comply with the Privacy Act of 1974 and the rules and regulations issued pursuant to the Act in the design, development, or operation of any system of records on individuals in order to accomplish an agency function when the contract specifically identifies (i) the system or systems of records and (ii) the work to be performed by the contractor in terms of any one or combination of the following: (A) design, (B) development, or (C) operation;

(2) to include the solicitation notification contained in this contract in every solicitation and resulting subcontract and in every subcontract awarded without a solicitation when the statement of work in the proposed subcontract requires the design, development, or operation of a system of records on individuals to accomplish an agency function; and

(3) to include this clause, including this paragraph (3), in all subcontracts awarded pursuant to this contract which require the design, development, or operation of such a system of records.

(b) In the event of violations of the Act, a civil action may be brought against the agency involved where the violation concerns the design, development, or operation of a system of records on individuals to accomplish an agency function, and criminal penalties may be imposed upon the officers or employees of the agency where the violation concerns the operation of a system of records on individuals to accomplish an agency function. For purposes of the Act when the contract is for the operation of a system of records on individuals to accomplish an agency function, the contractor and any employee of the contractor is considered to be an employee of the agency.

(c) The terms used in this clause have the following meanings:

(1) "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records including the collection, use, and dissemination of records.

(2) "Record" means any item, collection or grouping of information about an individual that is maintained by an agency, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.

(3) "System of records" on individuals means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual.

CRIMINAL SANCTIONS: It is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1) which is made applicable to Contractors by 5 U.S.C. 552a (m)(1), provides that any officer or employee of an agency, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

SECURITY OF DATA: Security of Personally Identifiable Information (PII) is a vital component of this contract. The Contractor shall guarantee strict confidentiality, integrity, and limited availability of all PII provided by the Government during the performance of this contract. Disclosure of the information/data, in whole or in part, by the Contractor can only be made in accordance with the provisions in the Data Use Agreement (DUA). **See Exhibit G.**

It is the contractor's responsibility to properly safeguard PII from loss, theft, or inadvertent disclosure and to immediately notify the Government of any loss of personally identifiable information. PII includes: a person's name, address, Social Security Number and Medicare Claim Number.

The contractor shall not release, or sell, to any person any technical or other data received from the Government under the contract; nor shall the contractor use the data for any purpose other than that for which it was provided to the contractor under the terms of the contract. The contractor must guarantee that furnished PII will be used only to complete this contract.

Failure to secure the PII (or any negligence, unauthorized use, misuse, or abuse of data) entrusted to your company could adversely affect individual Medicare beneficiaries, the Government, and your company. Possible consequences include, but are not limited to:

- Beneficiaries: Identity theft; denial of benefits; emotional distress.
- Government: Healthcare fraud; loss of public trust; incur remediation costs; civil and/or criminal penalties.
- Contractor: Civil and/or criminal penalties; Termination for Default of this contract; incur cost and liability of remedying the breach, such as the cost of notifying all affected beneficiaries and providing free credit monitoring services for one year to all affected beneficiaries.

Proper control and handling must be maintained at all times to prevent any information or materials required to produce the products ordered under these specifications from falling into unauthorized hands. All PII furnished by the Government, or duplicates created by the contractor or their representatives, and any resultant printouts must be kept accountable and under security to prevent their release to unauthorized persons. Unsecured telecommunications, including the internet, to transmit PII is prohibited.

Incident Reporting Requirements: If there is a breach, or a suspected breach, of Personally Identifiable Information (PII), the incident must be reported to CMS within one hour of discovery. **Report breaches to the CMS IT Service Desk at 410-786-2580 or 800-562-1963.**

Preaward/Postaward PII Security Surveys: At the Government's option, Preaward or Postaward Surveys may be conducted to review all data handling and production areas involved along with their specific functions, and the contractor's, personnel, production, security and other requirements outlined in this contract and in the contractor's Security Plan.

Personnel Security: The contractor shall have a system in place to perform criminal background investigations, Social Security Number verification, and drug testing on all employees. In addition, CMS will perform background investigations on two contractor employees who will receive and process mail files. **See Security Exhibits A through I for more information.**

Physical Security: The contractor shall have a secure work area(s) for processing and production of all CMS PII in electronic and paper format. The work area(s) shall be accessible only to authorized employees, and all work shall be monitored closely by contractor management, while CMS PII is being processed and/or produced.

Information Technology (IT) Security: The contractor shall have a system in place to comply with CMS Information Security Clause 11 in Exhibit B & C.

Security Liaison(s): The contractor must appoint one or more Security Liaison(s) to handle issues regarding personnel, physical, and computer security; confidential issues that may arise at any point during the background investigation process; and to serve as a point of contact to the Government for security issues. The Liaison's duties will include attending the Postaward Conference, submitting a security plan, discussing confidential security issues with CMS staff, submitting background applications, and resolving any issues of inaccurate or incomplete data supplied by background investigation applicants. In the event CMS discovers sensitive information during the background investigation, CMS Security may need to contact the background investigation applicant directly.

Disposal of Waste Material: All waste material containing PII must be destroyed in a manner that it is not possible to recreate the product or identity of a beneficiary; i.e. burning, pulping, shredding, macerating, or other suitable means.

If the contractor selects shredding as a means of destruction, it must be a cross cut shredder with a maximum size of 5/32" x 1-1/2" cross cut particles. Strip shredding is not acceptable.

Destruction of waste must occur inside the contractor's secure production facility, close to the point of production or inspection. Sending intact waste containing PII to a municipal incinerator, or to a recycler, or any other off-site processor, is not acceptable and will be considered a data breach.

While CMS PII is being processed or produced, it is recommended that the contractor not confuse employees with separate bins for destruction and for intact waste. The contractor is encouraged to destroy all waste beyond recognition when CMS PII is in the immediate processing and production area.

Disposal of Electronic PII: Immediately after production of each print order is completed, all electronic files containing PII furnished for the print order must be permanently destroyed in accordance with Federal Information Security Management Act (FISMA) of 2002. CMS will maintain an archive of furnished files.

Expiration of Data Use Agreement (DUA): Upon expiration of this DUA, the contractor will be required to sign a certificate confirming destruction of all CMS data files and that no copies have been kept. Therefore, the contractor must maintain a log listing the file name, date received from CMS, and date destroyed. Failure to certify file destruction may cause the CMS Privacy Office to refuse to issue future DUA's and data with the contractor's company or to individuals listed on this DUA. See **Exhibit H: Certificate of Data Destruction (Form CMS-10252)**.

Security Exhibits: The following Exhibits A through I below contain security clauses, information, and forms.

The **PRIVACY ACT NOTIFICATION Clause** will apply to all notice letters in this solicitation.

All provisions in the Security Specifications (Exhibits A through I) apply to all notice letters in this contract.

- **Exhibit A "CMS Clause-08, HIPAA Business Associate Provision II Date: November 3, 2004"**
- **Exhibit B: CMS Clause 11: CMS Information Security**
- **Exhibit C: CMS Clause 09A-01 Security Clause**
- **Exhibit D: FAQ Supplement to CMS Security Clause 09A-01**
- **Exhibit E: HHS ID Badge Request - (Form HHS-745)** (This form is used to initiate background investigations of the two people applying for access to the TIBCO MFT and Gentran (back up mailbox). No physical access, or badge, to CMS will be granted. Applicants must complete, sign/date page 1 and submit to CMS before award and renew annually thereafter.)
- **Exhibit F: Application for Access to CMS Computer Systems**
The same applicant(s) completing HHS-745 must also apply for access to CMS Computer Systems using the online link to gain access to TIBCO MFT and Gentran (back up mailbox) at: <https://idm.cms.hhs.gov/idm/user/newregistration.jsp>. CMS will provide the Applicant with the name of the TIBCO MFT and Gentran (back up mailbox) at the time of award. Each applicant receiving access to CMS computer system(s) must renew annually thereafter for the duration of the contract.
- **Exhibit G: Data Use Agreement (DUA) (Form CMS-R-0235)** - Contractor management/requestor must complete CMS-R-0235 and submit to Julian Lowery at julian.lowery@cms.hhs.gov. The Contractor management/requestor must request that a DUA be issued to the (name of company) for the Medicare Premium Payment Due (CMS-500) Mailing Kits within 24 hours of receiving the form.
- Effective October 1, 2011, CMS changed its policy for DUA expiration dates. CMS is refining and further restricting its policy for the retention of CMS data via a DUA. The new DUA policy stipulates that:

1. All DUAs will have an expiration date, regardless of the type of DUA, no exceptions.
 2. All DUAs will have an initial expiration date of no more than 365 days from the creation date.
 3. All DUAs must be revalidated annually by the DUA Requestor stating that the data continues to be needed for their Project/Study as originally requested.
 4. All DUA extensions will be granted for no more than 365 days from the current date.
 5. There will no longer be a maximum number of allowable extensions for a DUA as long as item #3 above is validated annually.
 6. All currently open DUAs have been assigned/reassigned with a new expiration date.
- **Exhibit H: Certificate of Data Destruction (Form CMS-10252)**
Contractor must complete CMS-10252 at the expiration of the DUA.
 - **Exhibit I: Secure One HHS, Information Security Program Rules of Behavior**
All contractor management and employees involved in this contract must read and sign this document. Signed copies of this document for TIBCO MFT access and Gentran (back up mailbox) applicants and DUA applicants must be submitted to CMS within 24 hours after receiving the forms. Signed copies for all other employees will be maintained by the contractor and furnished to the Government upon request.

Security Plan: The contractor must have a formal, documented Security Plan that will ensure their compliance with all of the security provisions of this contract and as referenced in attached exhibits. Particular attention should be given to addressing compliance of the Federal Information Security Management Act of 2002 (FISMA) and the Privacy Act of 1974 as referenced in Exhibit B, CMS Clause 11. Minimum security requirements for FISMA compliance are defined by the Department of Commerce, National Institute of Standards and Technology (NIST) in Federal Information Processing Standards Publication (FIPS) Publication 200 “Minimum Security Requirements for Federal Information and Information Systems”. This document can be found on the internet at <http://csrc.nist.gov/publications/fips/fips200/FIPS-200-final-march.pdf>.

The contractor’s Security Plan must, at a minimum, cover seventeen security-related areas identified in FIPS 200 with regard to protecting the confidentiality, integrity, and availability of federal information processed, stored, and transmitted by those systems. The security-related standards include: (i) access control; (ii) awareness and training; (iii) audit and accountability; (iv) certification, accreditation, and security assessments; (v) configuration management; (vi) contingency planning; (vii) identification and authentication; (viii) incident response; (ix) maintenance; (x) media protection; (xi) physical and environmental protection; (xii) planning; (xiii) personnel security; (xiv) risk assessment; (xv) systems and services acquisition; (xvi) system and communications protection; and (xvii) system and information integrity. The seventeen areas represent a broad-based, balanced information security program that address the management, operational, and technical aspects of protecting federal information.

Within 4 workdays after award, the contractor must submit three (3) copies of their Security Plan to: HHS/CMS, Attn: Julian Lowery, SL-12-18, 7500 Security Blvd, Baltimore, MD 21244-1850. Release of PII by CMS does not constitute CMS’ approval or acceptance of the Security Plan. At any time during this contract, if CMS finds deficiencies in the Security Plan, CMS may require correction of the deficiency.

Note: The cost of completing the paperwork and forms in E-QIP for the background investigation for two employees must be included in the contractor’s bid prices.

<p>NOTE: CONTRACTOR’S BID TO INCLUDE COST OF TWO EMPLOYEE BACKGROUND INVESTIGATIONS. BACKGROUND INVESTIGATION IS TO BE SUFFICIENT TO COVER THE SECURITY PROVISIONS AS DESCRIBED IN THE CONTRACT.</p>

POSTAWARD TELEPHONE CONFERENCE: Telephone conference call between the contractor and agency is required. The purpose of the conference will be to discuss and review all aspects of the contractor’s production plan, to establish coordination of all internal and external operations required to complete the contract and CMS to determine appropriate level of security investigation.

The Preaward Survey/Postaward Conference will include a review of all subcontractors involved along with their specific functions, and the contractor's/subcontractor's personnel, production, security and other requirements outlined in the CMS Data Use Agreement.

PRE-AWARD TESTING PERIOD: The contractor being considered for award shall be required to demonstrate their ability to print the items required in these specifications at the requisite quality level by completing a Postaward Test. The Government reserves the right to waive the Postaward Test if there is other evidence that, in the opinion of the Contracting Officer, indicates that the contractor being considered for award has the capability to successfully produce the items required.

PRIOR TO PRODUCTION TEST PERIOD SAMPLES: The contractor will be required to submit 1,000 English sample kits and 500 Spanish sample kits prior to production. Each sample kit must be a completed, ready-to-mail package and include a printed and imaged Premium Bill (CMS 500) including the scan line, a return envelope, mailing envelope and bill stuffer. Each sample must be produced in accordance with the specifications. The furnished records will simulate the various types of premium bills the contractor may be expected to print and mail. Each sample must be constructed as specified and must be of the size, kind, and quality that the contractor will furnish.

During the term of the contract, the contractor may be required to provide additional prior to production samples of the CMS-500 only, including the Scan Line to be tested by CMS' Medicare Premium Collection Center (MPCC).

Within 10 workdays after receiving the data files, the contractor must submit the samples for evaluation to: HHS/CMS, 7500 Security Blvd., Attn: Julian Lowery, SL-12-18, Baltimore, MD 21244-1850.

The samples produced during the test run will be checked for adherence to all specifications. The Government will approve, conditionally approve, or disapprove these test copies within 14 workdays of the receipt thereof. Approval or conditional approval shall not relieve the contractor from complying with the specifications and all other terms and conditions of the contract. A conditional approval shall state any further action required by the contractor. A notice of disapproval shall state the reasons therefore.

If these copies are disapproved by the Government due to printer's errors, the Government may require the contractor to submit additional copies for inspection and testing, in the time and under the terms and conditions specified in the notice of disapproval. Such additional copies shall be furnished, and necessary changes made, at no additional cost to the Government. In the event these additional copies are disapproved by the Government due to printer's errors, the contractor may be deemed to have failed to make delivery within the meaning of the default clause in which event this contract shall be subject to termination for default.

If the ability to achieve the necessary quality is not satisfactorily demonstrated, the contractor may be declared nonresponsible. The charge for the test run will be performed at no cost to the Government. All samples must be manufactured at the same facilities used for producing contract production quantities.

SECTION 2. - SPECIFICATIONS

SCOPE: These specifications cover the production of "Notice of Medicare Premium Payment Due (CMS-500) Mailing Kits" (consisting of a Premium Bill, Return Envelope, Mailing Envelope, Bill Enclosure (Bill stuffer), that prints in English and Spanish requiring such operations as film making, printing, computer imaging, packaging, and distribution. There are 28 different bill types containing variable data as shown in Exhibit L, CMS Record Specifications.

TITLE: Notice of Medicare Premium Payment Due (CMS-500) Mailing Kits

FREQUENCY OF ORDERS: One order per month.

QUANTITY:

English Kits: Approximately 600,000 to 1,000,000 kits per order, with an average of 650,000 kits per order.

Spanish Kits: Approximately 10,000 to 50,000 kits per order, with an average of 10,000 kits per order.

The average quantity for both English and Spanish may increase up to approximately 20% per year during the term of the contract.

The **Notice of Medicare Premium Payment Due (CMS-500)** – Contractor may be required to accept a new or updated version of the front and/or back of the base form. Contractor may be required to make necessary program changes to accommodate changes for added data to the front and/or back of the base form. In addition, prior to production samples may be required before printing.

TRIM SIZE: Each Notice of Medicare Premium Payment Due (CMS-500) Mailing Kit (*English and Spanish*) consists of the following items:

Premium Bills (CMS-500 Forms) - 8 ½ x 11" folded to 8-1/2 by 3-2/3"

Bill Enclosures (Bill Stuffers) and Special Bill Enclosures (Bill Stuffers) - vary in size up to 8 ½ x 14" folded to 8-1/2 by 3-2/3"

A bill stuffer contains specific information that CMS is required to provide to the direct bill population." (See ATTACHED Exhibit J and K)

- (a) Bill stuffer printing in black ink (English and Spanish): It is anticipated that Bill Stuffers will be ordered during the months of May through January. **Contractor to charge for these bill stuffers under items I. (c) in the "Schedule of Prices".**
- (b) Two color bill stuffer (English and Spanish): It is anticipated that a special two-color bill stuffer may be ordered up to three times a year. **The contractor must charge for these bill stuffers under items I. (d) in the "Schedule of Prices".**
- (c) Special bill stuffer (English and Spanish): On occasion the contractor may be required to include a special Bill Stuffer other than the months specified above when the need arises e.g., due to a disaster or legislative change that impacts the directly billed population. **Contractor to charge for these bill stuffers under items I. (e) in the "Schedule of Prices".**

Return Envelopes - 3-7/8 x 8-7/8".

Note: The contractor **will not** be required to place a return envelope in the ACH bills (Bill Type = W and X) each month. The ACH Bills consist of approximately 165,000 to 265,000 envelopes per order.

Mailing Envelopes - 4-1/8 x 9-1/2".

SEE ATTACHED Exhibit L CMS RECORD SPECIFICATIONS. SEE ATTACHED Exhibits M (English Bill)

and N (Spanish Bill) CMS 500 NOTICE OF MEDICARE PREMIUM PAYMENT DUE

The facsimile of the attached exhibit pages (Sample Form - *front and back*), indicates the type of product ordered under this contract. However, it cannot be guaranteed that future orders will correspond exactly to these exhibits.

GOVERNMENT TO FURNISH: Contractor will be furnished an Adobe .PDF file and a color visual of the base forms with non-variable information.

Data Files will be furnished in one of the possible three methods:

1. Electronic file transmission (EFT), if the contractor obtains approval from CMS IT Security for access to CMS computer systems; or
2. CD's, DVD's, thumb drives or tapes will be encrypted using the SecureZip product from PK Ware which will be provided as Government Furnished Equipment.
3. Encrypted tapes in the following format: IBM Standard 36 track 3490 cartridge, File PUR 3480, fixed record length, unlabeled/unblocked, and in ZIP Code record sequence. In order to process the mainframe media, recipients of CMS compressed, encrypted data are required to have zSeries mainframes (System z9 109, zSeries z900 or z990, or zSeries z800 or z890) equipped with cryptographic coprocessor hardware as well as the IBM software product, "Encryption Facility for z/OS", IBM program number 5655-P97.

If data files are furnished by EFT, a TIBCO MFT access or the Gentran (back up mailbox) will be setup by CMS to provide access to data files. Immediately after award, the contractor must submit two (one primary user, and one back-up user) completed "APPLICATION FOR ACCESS TO CMS COMPUTER SYSTEMS" at the following internet link: <http://www.cms.gov/Research-Statistics-Data-and-Systems/CMS-Information-Technology/InformationSecurity/downloads/EUAaccessform.pdf>. The contractor must complete Section 2, User Information on page 1, and the Applicant's Information on page 3 on the Form.

Please note that the Applicant's Social Security Number must be provided in order to receive a USERID and gain access to CMS' computer systems. Corporate Tax Identification Numbers are not accepted in lieu of individual SSN's. The contractor must reapply for access every 12 months during the term of the contract.

Return completed form to: HHS/CMS 7500 Security Boulevard, SL-12-18, Attn: Julian Lowery, Baltimore, MD 21244-1850. The contractor is encouraged to use FedEx Overnight service. Packages delivered by other methods may be opened in the CMS mailroom.

Additional information regarding the CMS EFT Infrastructure can be found at the following link: <http://www.cms.gov/Research-Statistics-Data-and-Systems/CMS-Information-Technology/Technical-Reference-Architecture-Standards/index.html>

Software: Contractor will need an Internet browser, the browser must be Internet Explorer 5.0 or above, or you can use MFT/GIS-compatible secure File Transfer Protocol Client (SFTP).

Gentran or Magnetic Tape Cartridges Files furnished with variable information for overprinting Premium Payment Due (CMS-500) Bills. Cartridges are IBM compatible, EBCDIC tape, 3480 BPI, 18 track (not compressed). Contractor is to reformat, if necessary, to suit their own equipment. Cartridges contain addresses that are in Zip-code sequence, contractor must convert the 5-digit Zip codes on the furnished cartridges to Zip + four.

Identification markings such as register marks, ring folios, rubber stamped jacket numbers, commercial identification marks of any kind, etc., except GPO imprint, form number, and revision date, carried on copy or film, must not print on finished product.

CMS Mail Postage and Fees Paid permit.

Premium Bill Mailing Kit Assembly -- Insert into each mailing envelope, one Notice of Medicare Premium Bill Payment Due (CMS-500), so that the mailing address shows through the window. Behind the premium bill, insert one return envelope **except with the ACH Bills**, and seal the mailing envelopes. If an order requires a bill stuffer, this should be inserted behind the return envelope. For the ACH bills, insert the bill stuffer behind the bill.

CONTRACTOR TO FURNISH: All materials and operations, other than those listed under "Government to Furnish," necessary to produce the products in accordance with these specifications.

The contractor must furnish "Mailing and Return Envelopes".

The contractor must have the capability to accept and process electronically transmitted data.

The Contractor may maintain surplus inventory. However, CMS will not be responsible for changes resulting in the need for new stock.

PROOFS:

The contractor will be responsible for performing all necessary proofreading to insure that the proofs are in conformity with the files furnished.

1. Envelopes: Sample to be used as Manuscript Copy and construction. (PDF Proof Required)
2. Bill Stuffers: Prior to the issuance of the print order for the monthly Notice of Medicare Premium Payment Due (CMS-500) Mailing Kits, the contractor will be furnished via email the actual text for that month's Bill Stuffer in English and Spanish in Microsoft Word or pdf file Format. The contractor will be required to furnish a production proof via email in Adobe PDF file format and Microsoft Word of the Bill Stuffer for approval to Julian Lowery at julian.lowery@cms.hhs.gov.
3. Proofs must have all elements in the proper position, and be constructed to the finished size specified in the contract.

The contractor must not print prior to receipt of an OK to print.

Notice of Medicare Premium Payment Due (CMS -500): The Premium Billing form is a scannable document. The form is perforated near the bottom half of the sheet to serve as a payment coupon for the beneficiary. There are 28 different types of Bills identified in the Bill Record Specifications. Forms are printed in English and Spanish. Periodically, it is necessary to print a message on the reverse side of the billing notices (CMS-500); therefore, the bidders must have the capability to print simultaneously, on both sides.

Scan Line requirements: The scan line shall be printed using the OCR-A, Size I Font. The OCR printing shall read continuously on a Banctec X2 series transport. The reject rate due to manufacturing deficiencies shall not exceed 1.5 percent of the items when run on the specified reading equipment. A form is a reject when its OCR print cannot be correctly deciphered on the first pass through the specified reading equipment. **See attached Exhibit O.**

Performance of Finished Product: The contractor guarantees that the Premium Billing form (CMS-500) produced under this contract will function properly at top speed when processed on a "Banctec X2 series transport scanner.

Premium Bill Stuffers: Bill stuffers are used to give notification of changes in premium rates, deductibles and other information. Enclosures are routinely printed in English and Spanish. The Spanish enclosures are mailed with applicable bills only.

Return and Mailing Envelopes: Return Envelopes will be inserted into contractor furnished envelopes with printed indicia--(Return Envelopes both English and Spanish **are not required to be inserted into ACH bills** which are approximately 165,000 to 265,000 per month)

STOCK/PAPER:

The specifications of all paper furnished must be in accordance with those listed herein or listed for the corresponding JCP Code numbers in the "Government Paper Specification Standards No. 12" dated March 2011.

Premium Bill (CMS-500) and Bill Stuffers: White Offset Book, basis weight: 50 lbs per 500 sheets, 25 x 38", equal to JCP Code A60.

Return and Mailing Envelopes: White Writing or Wove, basis weight: 20-24 lbs per 500 sheets, 17 x 22", equal to JCP Code V-20.

PRINTING:

Premium Bills (CMS-500) Print head to head in black ink, plus on face in Pantone 186 red ink. The format used to print or image the information on the back of the bill may be done using the best judgment of the contractor.

- a. *Bill Stuffer* - Print head-to-head or one side only in black or a single ink color.
- b. Two-color bill stuffer - Print head-to-head or one side only in two ink colors.
- c. Special Bill Stuffer - Print head-to-head or one side only in black or a single ink color.

Return Envelopes - Print address, rules, Intelligent Mail Barcode (IMB), and FIM bars in black ink on envelope face and text matter on envelope back. Print or tint inside of envelope in black ink. Use standard obliteration feature inside of envelope. The contractor may use jumbled character design, or at the contractor's option with Government approval use their own design, printing in blue/black ink, but must guarantee that the product will insure complete opacity and prevent show through of any material contained therein and cannot bleed onto enclosed material.

Mailing Envelopes - Print return address, message, and mailing permit in black ink on envelope face and text matter on envelope back. Print or tint inside of envelope in black ink. The contractor may use their own design with Government approval, but must guarantee that the product will insure complete opacity and prevent show through of any material contained therein. The mailing envelope for the notices is blank on the back. The mailing envelope for the premium bills contains a message on the back side.

The printing and format on the envelopes and the Premium Bills may change during the term of the contract. Copy changes may come with short notice.

Computerized Imaging -- This process is defined as ink jet spray, electrostatic (laser or ion deposition).

Contractor will be required to provide variable imaging of the Notice of Medicare Premium Payment Due (CMS -500) form in black ink/image in accordance with the attached record specifications. There are approximately 41 areas to be computer imaged on the face of the Premium Bill. Images are to be scanned on a Banctec X2 series transport. The contractor must also convert the 5-digit Zip codes on the furnished cartridges to Zip + four, plus the 2 digit state code, plus check digit, and corresponding Postnet bar code. Note: At the contractor's option, in addition to the variable data, the entire base form may also be computer imaged in red and black ink.

There are 28 bill types requiring the contractor to provide variable data as shown in the (CMS-500) record specifications.

Bill Type Table (Field 1)	
E	Part A First Notice
F	Part B First Notice
I	Part A/B First Notice
K	Parte A Primero Aviso
L	Parte B Primero Aviso

M	Parte A/B Primero Aviso
C	Part A Second Notice
O	Part B Second Notice
P	Part A/B Second Notice
D	Parte A Segundo Aviso
R	Parte B Segundo Aviso
S	Parte A/B Segundo Aviso
A	Part A Delinquent Notice
U	Part B Delinquent Notice
V	Part A/B Delinquent Notice
B	Part A Aviso Delincuente
Y	Part B Aviso Delincuente
Z	Part A/B Aviso Delincuente
W	This is not a bill
X	No es una Factura
G	Estate Notice
H	Aviso de Herencia

Bill Type – D Table (Field 4)	
J	Part D IRMAA First Notice
N	Parte D IRMAA Primero Aviso
Q	Part D IRMAA- Second Notice
T	Parte D IRMAA Segundo Aviso
2	Part D IRMAA Delinquent Notice
1	Part D IRMAA Aviso Delincuente

MARGINS:

Margins will be as indicated on the print order or furnished copy.

BINDING/CONSTRUCTION:

Premium Bills - At the contractor's option, trim four sides or, if the contractor runs the bills continuous feed, the contractor is responsible for trimming or bursting all four sides.

Perforate (slit or slot without ink) horizontally 3-2/3" from the bottom edge of the form. Fold to 8-1/2 x 3-2/3" using two parallel folds, with the mailing address out.

Both Bill Stuffers - Trim four sides. Notices will vary in size up to 8 1/2 x 14" folded to 8-1/2 by 3-2/3" using two parallel folds.

Return Envelopes - Manufacture open side with diagonal seams and gummed flap.

Mailing Envelopes - Manufacture open side with diagonal seams and a gummed flap. Die-cut a 4 x 1-1/4" window with slightly rounded corners (the 4" dimension of the window to be parallel to the 9-1/2" dimension) of the envelope located 1/2" from the right edge and 5/8" from the bottom edge. Cover the window with a suitable clear plastic material securely glued to the inside.

DISTRIBUTION:

Mail f.o.b. contractor's city. Individual mailing kits will be mailed monthly to approximately 600,000 to 1,000,000 national- and world-wide destinations, using contractor-printed "First Class Postage and Fees Paid Permit" indicia.

The contractor must mail on a flow basis as production runs are completed on all print orders.

The contractor must provide all mailing materials, as well as all labeling and marking, as necessary to fulfill mailing and distribution requirements. Noncompliance with the packing and labeling instructions will be cause for the Government to take corrective action in accordance with GPO Pub. 310.2.

ADDRESS REQUIREMENTS: Address placement, format, and fonts must be consistent with current U.S. Postal Service (USPS) *Address Quality Standards*, and in accordance with appropriate USPS rules and regulations including USPS Domestic Mail Manual (DMM) in effect at the time of mailing. The type font must be one of the USPS accepted and verified MLOCR readable type.

MAIL PREPARATION: All envelopes will have a printed CMS Mail Postage and Fees Paid permit. The contractor is cautioned to use the permit imprint only for mailing material produced under this contract. Using the CMS address information as provided, the contractor is required to obtain the maximum USPS postage discounts possible in accordance with the USPS First Class mail automated mail discount structure in effect at the time of mailing. In compliance with USPS Mail Preparation & Sortation Regulations, all mail must be appropriately marked and supported with the documentation necessary to ensure USPS acceptance.

Mailing Envelopes must be prepared and sealed in a manner that will ensure acceptance, security and safe delivery by the U.S. Postal Service. Gather each piece and insert into mailing envelope, and seal.

The contractor must provide all mailing materials, as well as all labeling and marking, as necessary to fulfill mailing and distribution requirements. Noncompliance with the packing and labeling instructions will be cause for the Government to take corrective action in accordance with GPO Pub. 310.2.

Contractor must be able to read/print up to seven lines of address information and insure all addresses can display address format acceptable for USPS automation processing.

Addresses for this mailing come from a Government maintained file. For this mailing, CMS will provide certificates indicating that within 95 days the addresses have been matched against both the USPS required Coding Accuracy Support System (CASS) and National Change of Address (NCOA) software.

In the event the CASS and NCOA certification has expired, the contractor may be required to provide the certification

prior to mailing. Reimbursement for this service will be made via contract modification. Contractor sponsored address data enhancements to secure postal discount MUST NOT negatively affect deliverability and/or omit/change any required address field as provided by CMS address files. It is the contractor's responsibility to keep up to date on all USPS requirements.

All copies mailed must conform to the appropriate regulations in the U.S. Postal Service manuals for domestic presorted First-Class mail as applicable, and must be prepared for the most cost effective mailing rate/class obtainable presorting for maximum postal automation discounts (as applicable). The placement and application of the IMB barcodes must not compromise any applicable USPS addressing/imprinting requirements.

In addition, USPS has instituted a verification procedure called a "tap" test. This test is used to screen all mailings with barcoded inserts for proper barcode spacing within the envelope window. USPS will randomly select samples from a mailing and tap the pieces on their left right and bottom edges to test whether the barcode maintains a minimum spacing of 1/8 inch between the barcode and the left and right edges of the window, at least 1/25 inch between the barcode and the bottom edge of the mail piece. Mailpieces are not to be tapped upside down (i.e. on their top edge).

Intelligent Mail Barcode (IMB): The successful bidder must understand and be able to implement all mail preparation requirements enacted by the Postal Service related to using Intelligent Mail. The requirements include, but are not limited to preparing Intelligent Mail barcodes meeting USPS quality acceptance standards. Experience with assigning unique numbers for each mail piece, preparing electronic manifests, making electronic appointments, producing revised tray/pallet label formats and other similarly-detailed IMB requirements as mandated by the Postal Service is essential.

Any address/mail management related questions/issues should be directed to Tina Dickens, at (410) 786-3895, or E-mail tina.dickens@cms.hhs.gov or Cynthia Williams, at (410) 786-6071, or Email cynthia.williams@cms.hhs.gov at CMS respectively.

The addresses will be four to seven lines. Contractor to address using laser imaging or suitable method using approved font and size in black. All address elements, components, ink characteristics and (IMB) barcode must meet USPS automated mail processing equipment compatibility standards and comply with all related USPS requirements as sited in the DMM and Standard mail Processing Guidelines in effect at the time of mailing.

Contractor may be responsible for any postage fees related to undeliverable letters caused by print quality control issues.

CERTIFICATE OF CONFORMANCE: When using Permit Imprint Mail the contractor must complete GPO Form 712 - Certificate of Conformance (Rev. 1-85) supplied by GPO and the appropriate mailing statement or statements supplied by USPS.

MAILING STATEMENTS: Contractor must complete and supply all copies of all USPS 3602's and GPO 712's along with the GPO invoice to CMS within 2 work days of USPS certification. Contractor must email copies to Julian Lowery at julian.lowery@cms.hhs.gov and Tina Dickens at tina.dickens@cms.hhs.gov. All mailed copies must be sorted using the ZIP + 4 code, in order to achieve the most economical First Class rates, as applicable by the number of pieces being mailed.

The contractor is cautioned that the Postage and Fees Paid indicia may be used only for the purpose of mailing material produced under this contract. All copies mailed must conform to the appropriate regulations in the U.S. Postal Service manuals for Domestic Mail or International Mail as applicable. Upon completion of mailing, the contractor must FAX one copy of GPO Form 712, the Certificate of Conformance, and one copy of forms PS 3600 and PS 3602 to the address in the following paragraph. Within 7 workdays after completion of each mailing, the contractor is to return all Government Furnished Material to HHS/CMS, 7500 Security Blvd., Room SL-12-18, Baltimore, MD 21244-1850 Attn: Julian Lowery. Inside delivery is required to the room number indicated.

SCHEDULE: Adherence to this schedule must be maintained. Contractor must not start production of any job prior to receipt of the individual print order (GPO Form 2511).

Furnished material that must be picked up from and returned to HHS/CMS, 7500 Security Blvd., SL-12-18, Baltimore, MD 21244-1850 Attn: Julian Lowery. Inside delivery is required to the room number indicated.

The following schedule begins the workday after notification of the availability of print order(s) and furnished material. The workday after notification will be the first workday of the schedule:

Complete production and mailing must be made within 5 workdays.

The contractor must mail completed pieces on a flow basis as production runs are completed in accordance with permit requirements for mailing.

The contractor shall confirm via email to julian.lowery@cms.hhs.gov that the files and record counts shown on the Monthly Direct Bill Report with IRMAA D Totals and print order match and are available in TIBCO MFT or the Gentran (back up mailbox) within 2 hours after receipt of the print order.

All expenses incidental to *pickup* and *returning* furnished materials, submitting priors, and furnishing sample copies, must be borne by the contractor.

Unscheduled material such as shipping instructions, delivery lists, etc., will be furnished with each order or shortly thereafter. In the event such information is not received in due time, the contractor will not be relieved of any responsibility in meeting the shipping schedule because of failure to request such information.

Upon completion of each order, the contractor is to notify the Government Printing Office of the date of shipment (or delivery, if applicable). Call (202) 512-0516 or 0517; callers outside the Washington, DC area may call toll free 1-800-424-9470 or 9471.

SECTION 3.- DETERMINATION OF AWARD

The Government will determine the lowest bid by applying the prices offered in the "Schedule of Prices" to the following units of production which are the estimated requirements to produce 12 month's production under this contract. These units do not constitute, nor are they to be construed as, a guarantee of the volume of work which may be ordered under this contract for a like period of time.

The following item designations correspond to those listed in the "Schedule of Prices".

- I. (a) 7,800
- (b) 120
- (c) 1,750
- (d) 1,112
- (e) 650
- (f) 1
- (g) 5

SECTION 4 - SCHEDULE OF PRICES

Bids offered are f.o.b. contractor's city.

Prices must include the cost of all required materials and operations for each item listed in accordance with these specifications.

Bidder must make an entry in each of the spaces provided. Bids submitted with any obliteration, revision, or alteration of the order and manner of submitting bids, may be declared nonresponsive.

An entry of NC (No Charge) shall be entered if bidder intends to furnish individual items at no charge to the Government.

Bids submitted with NB (No Bid) or blank spaces for an item may be declared nonresponsive.

The Contracting Officer reserves the right to reject any offer that contains prices for individual items of production (whether or not such items are included in the Determination of Award) that are inconsistent or unrealistic in regard to other prices in the same offer or to GPO prices for the same operation if such action would be in the best interest of the Government.

CONTRACTOR PLEASE NOTE THAT THE BACKGROUND INVESTIGATION FOR TWO EMPLOYEES MUST BE INCLUDED IN YOUR BID.

Invoices submitted to GPO by contractor must have line-item pricing identified using the same outline numbering format used from the "Schedule of Prices" in the contract specifications. Each line-item must be labeled with the outline number of the corresponding task/item specified in the "Schedule of Prices" (for example: II(a).1).

Fractional parts of 100 or 1,000 will be prorated at the per 100 or 1,000 rate.

I. COMPLETE PRODUCTION AND DISTRIBUTION:

Prices offered shall include the cost of all required materials and operations necessary for the complete production and distribution of the product listed in accordance with these specifications.

Contractor must include the cost of all bill stuffers below under item (c)(d) and e.

Note: Price for the English and Spanish Kits should not include a return envelope for approximate 165,000 to 265,000 ACH Bills each order)

(a) Producing Premium Bill Mailing Kit.....English.....per 1,000 kits.....\$ _____

(b) Producing Premium Bill Mailing Kits.....Spanish.....per 1,000 kits.....\$ _____

Additional Operations:

(c) Bill Stuffer (English and Spanish).....(one color).....per 1,000..stuffers.....\$ _____

(d) Special Bill Stuffer (English and Spanish)..(two color)per 1,000..stuffers.....\$ _____

(e) Special Bill Stuffer (English and Spanish)..(one color).....per 1,000..stuffers.....\$ _____

(Initials)

Additional Operations continue:

(f) Additional Prior-to Production Samples (English).....per 1,000 samples.....\$_____

(g) Additional Prior-to Production Samples (Spanish).....per 100 samples.....\$_____

LOCATION OF POST OFFICE: All mailing will be made from the _____

Post Office located at Street Address _____,

City _____, State _____, Zip Code _____.

My production facilities are located within the assumed area of production yes _____ no _____

NOTICE: Bidders OUTSIDE the assumed production area specified on page one of these specifications should complete the following information.

1. Proposed carrier(s) for pickup of Government Furnished Material

a. Number of hours from acceptance of print order to pickup of Government Furnished Material

b. Number of hours from pickup of Government Furnished Material to delivery at contractor's plant.....

2. Proposed carrier(s) for delivery of completed product.....

a. Number of hours from notification to carrier to pickup of completed product.....

b. Number of hours from pickup of completed product to delivery at destination

BIDDER'S OFFER, NAME, AND SIGNATURE: Offer prices in strict accordance with all specifications. Fill out and return three copies of all pages in "Section 4.- Schedule of Prices", initial or sign in the space provided and submit with the original and duplicate copies (parts 1 and 2) of GPO Form 910, "Bid". Do not enter bid prices on GPO Form 910. NOTE: The schedule of prices will prevail in instances where prices are inadvertently entered on GPO Form 910.

Bidder _____

(City - State)

By _____
(Signature and title of person authorized to sign this bid)

(Person to be contacted) (Telephone Number)

BILLING PROCESS

Record Name: BILL RECORD for Contractor to Mail DBI Bills to Beneficiaries

Exhibit L

	Field Name	Format	Position		Remarks
			Start	End	
1	Bill Type	X(1)	1	1	First line in the Bill Notice Box on CMS-500 Form. See Bill Type Table for Values.
2	Claim Account Number	9(9)	2	10	Numeric
3	Beneficiary Identification Code	X(2)	11	12	Alpha Numeric.
4	Bill Type D	X(1)	13	13	Second line in the Bill Notice Box on CMS-500 Form. See Bill Type - D Table for Values
5	Servicing Program Service Center	X(1)	14	14	Values 1 through 8
6	Surname	X(3)	15	17	First Three Letters of Surname
7	Zip Code	9(5)	18	22	Numeric
8	Extended Zip Code	X(4)	23	26	Blank or Alpha Numeric
9	Address Line 1 ¹	X(22)	27	48	Beneficiary Name
10	Address Line 2	X(22)	49	70	
11	Address Line 3	X(22)	71	92	
12	Address Line 4	X(22)	93	114	
13	Address Line 5	X(22)	115	136	
14	Address Line 6	X(22)	137	158	
15	Total Amount Due	9(7)	159	165	\$\$\$\$\$cc
16	Current Start Date - A/B	9(8)	166	173	MMDDYYYY (Medical & Hospital Insurance)
17	Current Thru Date - A/B	9(8)	174	181	MMDDYYYY (Medical & Hospital Insurance)
18	Current Amount - B	9(7)	182	188	\$\$\$\$\$cc (Medical Insurance)
19	Current Amount - D	9(7)	189	195	\$\$\$\$\$cc (Part D IRMAA)
20	Total Current Amount - D	9(7)	196	202	\$\$\$\$\$cc (Part D IRMAA)
21	Prior Amount - B	9(7)	203	209	\$\$\$\$\$cc (Medical Insurance)
22	Termination Date - B	9(8)	210	217	MMDDYYYY (Medical Insurance)
23	Current Start Date - D	9(8)	218	225	MMDDYYYY (Part D IRMAA)
24	Current Thru Date - D	9(8)	226	233	MMDDYYYY (Part D IRMAA)
25	Current Amount - A	9(7)	234	240	\$\$\$\$\$cc (Hospital Insurance)
26	Prior Start Date - D	9(8)	241	248	MMDDYYYY (Part D IRMAA)
27	Prior Thru Date - D	9(8)	249	256	MMDDYYYY (Part D IRMAA)
28	Prior Amount - A	9(7)	257	263	\$\$\$\$\$cc (Hospital Insurance)
29	Termination Date - A	9(8)	264	271	MMDDYYYY (Hospital Insurance)
30	Message Field	X(2)	272	273	See Message Table

¹ Last Address Line field contains the zipcode

Exhibit L

	Field Name	Format	Position		Remarks
			Start	End	
31	Last Payment Date	9(8)	274	281	MMDDYYYY
32	Last Payment Amount	9(7)	282	288	\$\$\$\$\$cc
33	Total Current Amount A/B	9(7)	289	295	\$\$\$\$\$cc
34	Total Past Due Amount A/B	9(7)	296	302	\$\$\$\$\$cc
35	Billing Notice Date	9(8)	303	310	MMDDYYYY - Actual bill run date
36	Payment Due Date	9(8)	311	318	MMDDYYYY - 25th day of the month after the Billing Notice Date
37	Prior Period Start Date – A/B	9(8)	319	326	MMDDYYYY (Medical & Hospital Insurance)
38	Prior Period Stop Date – A/B	9(8)	327	334	MMDDYYYY (Medical & Hospital Insurance)
39	Prior Amount - D	9(7)	335	341	\$\$\$\$\$cc (Part D IRMAA)
40	Total Past Due Amount D	9(7)	342	348	\$\$\$\$\$cc (Part D IRMAA)
41	Filler	X(2)	349	350	Blank

BILLING PROCESS

Record Name: BILL RECORD for Contractor to Mail DBI Bills to Beneficiaries

Bill Type Table (Field 1)	
	Blank Bill Type Print Spaces
E	Part A First Notice
F	Part B First Notice
I	Part A/B First Notice
K	Parte A Primero Aviso
L	Parte B Primero Aviso
M	Parte A/B Primero Aviso
C	Part A Second Notice
O	Part B Second Notice
P	Part A/B Second Notice
D	Parte A Segundo Aviso
R	Parte B Segundo Aviso
S	Parte A/B Segundo Aviso
A	Part A Delinquent Notice
U	Part B Delinquent Notice
V	Part A/B Delinquent Notice
B	Parte A Aviso Delincuente
Y	Parte B Aviso Delincuente
Z	Parte A/B Aviso Delincuente
W	This is not a bill
X	No es una Factura
G	Estate Notice
H	Aviso de Herencia

Bill Type - D Table (Field 4)	
	Blank Bill Type Print Spaces
J	Part D IRMAA First Notice
N	Parte D IRMAA Primero Aviso
Q	Part D IRMAA- Second Notice
T	Parte D IRMAA Segundo Aviso
2	Part D IRMAA Delinquent Notice
1	Parte D IRMAA Aviso Delincuente

BILLING PROCESS

Record Name: BILL RECORD for Contractor to Mail DBI Bills to Beneficiaries

Message Table

Code	Message
Blank	
01	
02	
03	
04	
05	
06	
07	
08	
09	This premium payment will be deducted from your bank account
10	El pago de prima será deducido automáticamente de su cuenta de banco
11	
12	
13	
14	

CMS-500 (09/11)

Exhibit M

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS)

[Empty box]

NOTICE OF MEDICARE PREMIUM PAYMENT DUE

BILLING NOTICE DATE:

YOUR CLAIM NUMBER:

[Empty box]

Use Visa/MasterCard/American Express/Discover or make check/money order payable to "CMS Medicare Insurance." Send payment with the bottom portion of this notice in the enclosed envelope to:

**Medicare Premium Collection Center
P.O. Box 790355
St. Louis, MO 63179-0355**

Hospital	Medical				
Insurance +	Insurance +	IRMAA	=	Total	
Part A	Part B	Part D		Amount	

Current amount due for Part A and/or Part B	
Past due amount for Part A and/or Part B	
Current amount due for IRMAA Part D	
Past due amount for IRMAA Part D	
Part A: TERMINATION DATE:	TOTAL AMOUNT DUE:
Part B: TERMINATION DATE:	PAYMENT DUE BY:

Last payment received: _____ on _____.

To ensure timely processing, payments must be received by _____. Any payments received after this date will be included in your next notice.

SEE OTHER SIDE FOR IMPORTANT INFORMATION

Please tear at dotted line and return bottom portion with payment

If your name or address has changed or is incorrect, check here and complete the back of this notice.

If the person is deceased, check here.

CLAIM NUMBER:

[Empty box]

Show claim number on check or money order.

AMOUNT PAID: \$ [] [] [] [] . [] []

AMOUNT DUE: \$ _____ DUE BY: _____

VISA/MASTERCARD/AMERICAN EXPRESS/DISCOVER NUMBER:

[] [] [] [] - [] [] [] [] - [] [] [] [] - [] [] [] []

EXP. DATE:

[] [] - [] [] - [] []

SIGNATURE:

[Empty box]

Make check/money order payable to: CMS MEDICARE INSURANCE

DO NOT SEND CASH OR STAMPS.

SEND PAYMENT TO:

MEDICARE PREMIUM COLLECTION CENTER
P.O. BOX 790355
ST. LOUIS, MO 63179-0355

(over)

IMPORTANT MEDICARE CUSTOMER INFORMATION

- If you do not pay your Part A or Part B premium, your Medicare insurance will be terminated. Even if your Medicare insurance ends, you must still pay the total premium amount you owe. You can reapply for Medicare only during the General Enrollment Period from January – March each year. If you reapply, your coverage will start on July 1 of the year you reapply, and your payment amount may be higher because your coverage was interrupted.
- This bill may include an Income Related Monthly Adjustment Amount (IRMAA) for Part B based on your income.
- If you have questions about this notice, your Medicare Part A or Part B insurance, or the amount you have to pay, please write or visit any Social Security office, or call 1-800-772-1213. TTY users should call 1-800-325-0778.
- This bill may include an IRMAA for Part D based on your income. If you do not pay the IRMAA for Part D, you will be disenrolled from your Part D prescription drug plan, even if it is part of your employer coverage or Medicare Advantage plan. If your coverage is terminated and you re-enroll in Part D later, you will still have to pay any IRMAA for Part D you owed. Also, your Part D plan monthly premium may be higher because your coverage was interrupted.
- The IRMAA you pay for Part D may be higher than it was before because of new income or enrollment information we received from Social Security or other agencies. If you have questions about your IRMAA Part D bill amount, please call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

SPECIAL MESSAGES

ABOUT THIS BILL

This bill shows the current amount you owe. The dates in the “Current Amount Due” line show the months that this bill normally covers. If this is the first bill you have received, it may also include premiums owed for previous months not already billed. Please send your payment promptly.

MEDICARE EASY PAY

Sign up to have your Medicare premiums automatically deducted from a bank account each month and you will not have to worry about late or lost payments.

To sign up for Automated Clearing House (ACH), automated premium payment deductions from your checking or savings account, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

PAYMENTS BY CHECK

When you pay by check, you authorize the Medicare Premium Collection Center (MPCC) to use the information from your check to make a one-time electronic funds transfer from your bank account. When the MPCC uses information from your check to make an electronic funds transfer, funds may be withdrawn from your bank account as soon as the same day your payment is received. You will not get your check back from your bank. If the MPCC cannot process your payment electronically, it will be processed as a check transaction. Your bank statement will show the transaction as “CMS Medicare” and this is your proof of payment.

IF YOUR NAME OR ADDRESS HAS CHANGED OR IS DIFFERENT FROM THE NAME OR ADDRESS SHOWN ON THE FRONT OF THE FORM, PLEASE PRINT CORRECT INFORMATION BELOW:

Last Name:	<input style="width: 100%;" type="text"/>	First Name:	<input style="width: 100%;" type="text"/>	MI:	<input style="width: 100%;" type="text"/>
Street Number:	<input style="width: 100%;" type="text"/>	Street Name:	<input style="width: 100%;" type="text"/>		
P.O. Box:	<input style="width: 100%;" type="text"/>	Apartment Number:	<input style="width: 100%;" type="text"/>		
City:	<input style="width: 100%;" type="text"/>	State:	<input style="width: 100%;" type="text"/>	Zip Code:	<input style="width: 100%;" type="text"/> - <input style="width: 100%;" type="text"/>

DEPARTAMENTO DE SALUD Y SERVICIOS HUMANOS DE LOS ESTADOS UNIDOS
CENTROS DE SERVICIOS DE MEDICARE Y MEDICAID

AVISO DE PAGO VENCIDO DE LA PRIMA DE MEDICARE

FECHA DE ENVIO DEL AVISO:

NÚMERO DE CUENTA:

Pague con Visa/MasterCard/American Express/ Discover o cheque/giro postal a "CMS Medicare Insurance." Envíe el pago con la porción inferior de este aviso en el sobre adjunto a:

**Medicare Premium Collection Center
P.O. Box 790355
St. Louis, MO 63179-0355**

			IRMAA	
Seguro de	Seguro		(ajuste por	=
Hospital +	Médico +		ingreso)	Cantidad
Parte A	Parte B		de la Parte D	Total

Cantidad que debe por la Parte A y/o B Cantidad atrasada por la Parte A y/o B Cantidad que debe por concepto de IRMAA de la Parte D Cantidad adeudada por el IRMAA de la Parte D					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 2px;">LA PARTE A VENCE EL:</td> <td style="width: 50%; padding: 2px;">CANTIDAD TOTAL QUE DEBE:</td> </tr> <tr> <td style="padding: 2px;">LA PARTE B VENCE EL:</td> <td style="padding: 2px;">PAGAR EN O ANTES DEL:</td> </tr> </table>	LA PARTE A VENCE EL:	CANTIDAD TOTAL QUE DEBE:	LA PARTE B VENCE EL:	PAGAR EN O ANTES DEL:	
LA PARTE A VENCE EL:	CANTIDAD TOTAL QUE DEBE:				
LA PARTE B VENCE EL:	PAGAR EN O ANTES DEL:				

Último pago recibido _____ el _____.

Para asegurarse que su pago sea procesado a tiempo, debe recibirse antes del _____. Pagos recibidos después de esta fecha serán incluidos en el próximo aviso.

INFORMACIÓN IMPORTANTE AL DORSO

Por favor recortar por esta línea y envíe con su pago

Si su nombre, apellido o dirección han cambiado, o está incorrecto, marque la caja y rellene la forma al reverso de este aviso.

Si la persona ha fallecido, marque la caja.

NÚMERO DE CUENTA:

Indique número de cuenta en el cheque o giro postal.

CANTIDAD QUE PAGA: \$

CANTIDAD QUE DEBE: _____ VENCE EL: _____

NÚMERO DE VISA/MASTERCARD/AMERICAN EXPRESS/DISCOVER:
<input style="width: 20px; height: 15px;" type="text"/> <input style="width: 20px; height: 15px;" type="text"/> - <input style="width: 20px; height: 15px;" type="text"/> <input style="width: 20px; height: 15px;" type="text"/> - <input style="width: 20px; height: 15px;" type="text"/> <input style="width: 20px; height: 15px;" type="text"/> - <input style="width: 20px; height: 15px;" type="text"/> <input style="width: 20px; height: 15px;" type="text"/>
FECHA DE VENCIMIENTO: <input style="width: 20px; height: 15px;" type="text"/> - <input style="width: 20px; height: 15px;" type="text"/> - <input style="width: 20px; height: 15px;" type="text"/>
FIRMA: <input style="width: 150px; height: 15px;" type="text"/>

Escriba cheque o giro postal a nombre de: **CMS MEDICARE INSURANCE**
NO ENVÍE DINERO EN EFECTIVO O ESTAMPILLAS.

ENVÍE SU PAGO A:
MEDICARE PREMIUM COLLECTION CENTER
P.O. BOX 790355
ST. LOUIS, MO 63179-0355

INFORMACIÓN IMPORTANTE PARA CLIENTES DE MEDICARE

- El incumplimiento del pago de la Parte A o B cancelará su seguro de Medicare. Inclusive si su seguro de Medicare termina, tendrá que pagar el monto total de la prima que debe. Usted podrá volver a solicitar para Medicare sólo durante el Período de Inscripción General de enero a marzo de cada año. Si vuelve a solicitar, su cobertura comenzará el 1 de julio del año en que solicitó. Tenga en cuenta que la prima podrá ser más cara debido a que se interrumpió la cobertura.
- Esta factura puede incluir el Ajuste Mensual Relacionado a su Ingreso (IRMAA por su sigla en inglés) de la Parte B.
- Si tiene alguna pregunta sobre este aviso, sobre las Partes A y/o B de Medicare o sobre la cantidad que debe pagar, escriba o visite la oficina del Seguro Social, o llame al 1-800-772-1213. Los usuarios de TTY deben llamar al 1-800-325-0778.
- Esta factura puede incluir el IRMAA de la Parte D. Si no paga el IRMAA para la Parte D, se le dará de baja de su plan para medicamentos recetados (Parte D), aun si es parte de su cobertura de empleador o plan Medicare Advantage. Si se cancela su cobertura y usted vuelve a inscribirse más tarde en la Parte D, tendrá que pagar la cantidad que debe del IRMAA. Tenga en cuenta que la prima mensual para la Parte D puede ser más debido a que se interrumpió la cobertura.
- El IRMAA que usted paga por la Parte D puede haber aumentado debido a nueva información que recibimos del Seguro Social y otras agencias sobre su inscripción o ingreso. Si tiene alguna pregunta sobre la cantidad del IRMAA para la Parte D, llame al 1-800-MEDICARE (1-800-633-4227). Los usuarios de TTY deben llamar al 1-877-486-2048.

MENSAJES ESPECIALES

SOBRE ESTA FACTURA

La factura adjunta refleja la cantidad actual que debe. Las fechas en la línea "Cantidad que debe" indican el período de facturación actual. Si esta es su primera factura, la cantidad total que debe puede incluir las primas que debía antes del período de facturación actual. Por favor, envíe su pago a tiempo.

PAGO FÁCIL DE MEDICARE

Inscríbase para que cada mes le deduzcan automáticamente las primas de su cuenta bancaria y de este modo no tendrá que preocuparse por pagos tardíos o perdidos.

Llame al 1-800-MEDICARE (1-800-633-4227) para inscribirse en el Procesamiento de Información Automatizado (ACH por su sigla en inglés) el cual le deduce automáticamente las primas de su cuenta corriente o de ahorros. Los usuarios de TTY deben llamar al 1-877-486-2048.

PAGOS POR CHEQUES

Cuando usted envía un cheque como forma de pago, usted autoriza al Centro de Recaudación para la Prima de Medicare (MPCC, por su sigla en inglés) a que usen la información de su cheque para hacer una sola transferencia electrónica de fondos de su cuenta de banco. Cuando el MPCC usa la información que aparece en su cheque para hacer una transferencia electrónica, los fondos pueden ser retirados de su cuenta bancaria el mismo día que se recibe el pago. El banco no le enviará su cheque de vuelta. Si el MPCC no puede procesar su pago electrónicamente, entonces será procesado como una transacción bancaria. La prueba de pago y confirmación será su estado de cuenta que indicará la transacción como "CMS Medicare."

SI SU NOMBRE, APELLIDO O DIRECCIÓN HAN CAMBIADO O ES DIFERENTE AL NOMBRE O DIRECCIÓN QUE APARECE EN EL FORMULARIO, FAVOR DE CORREGIR LA INFORMACIÓN EN EL ESPACIO CORRESPONDIENTE:

Apellido: <input style="width: 95%;" type="text"/>	Nombre: <input style="width: 95%;" type="text"/>	MI: <input style="width: 95%;" type="text"/>
Número de la calle: <input style="width: 95%;" type="text"/>	Nombre de la calle: <input style="width: 95%;" type="text"/>	
P.O. Box: <input style="width: 95%;" type="text"/>	Número de apartamento: <input style="width: 95%;" type="text"/>	
Ciudad: <input style="width: 95%;" type="text"/>	Estado: <input style="width: 95%;" type="text"/>	Código postal: <input style="width: 95%;" type="text"/> - <input style="width: 95%;" type="text"/>

EXHIBIT O

Centers for Medicare & Medicaid

Requirements

Scan line

1. The Scan Line will be all numeric.
2. The Scan line will only appear on the coupon portion of the bill form, which is located in the bottom half of the form beneath the red dotted line.
3. The location of the scan line must be consistent within the specified tolerance as described in the Optical Character Recognition (OCR) document, Appendix C.
4. The scan line band will be ½ inch high and as wide as the billing form.
5. The scan line band need not be defined by non-red ink as long as print targets are provided for the printer operator.
6. All numerics in the scan line and on the billing form will be OCR-A as defined in ANSI x3A1.17-1977.
7. The scan line will have a field separation of 1 or 2 adjacent space characters allowing adequate time for scanner off/on or for space recognition.
8. Scan Line Format
 - a. 34 numeric character format
 - b. OCR Parsing for CMS Scanline stub

Position	Length	Field Name	Bill Record Field	Validation	Comments
1 - 9	9	Claim Account Number	Field 2	Numeric	No conversion
10 - 10	1	Filler		Space	
11 - 14	4	Beneficiary Identification Code	Field 3	Numeric	Alpha characters converted from the <u>OCR Conversion Chart</u>
15 - 15	1	Filler		Space	
16 - 21	6	Surname	Field 6	Numeric	Alpha characters converted from the <u>OCR Conversion Chart</u> Add the code for blank/space to the right of a two-digit name.
22 - 22	1	Filler		Space	
23 - 29	7	Total Amount Due	Field 15	Numeric	Digits right justified zero padded on the left to equal 7 digits
30 - 30	1	Filler		Space	
31 - 31	1	Claim Account Number Check Digit		Numeric	See Appendix # for check digit rules
32 - 32	1	Beneficiary Identification Code Check Digit		Numeric	See Appendix # for check digit rules
33 - 33	1	Surname Code Check Digit		Numeric	See Appendix # for check digit rules
34 - 34	1	Total Amount Due Check Digit		Numeric	See Appendix # for check digit rules

EXHIBIT O

Create the Scan Line

Data for the Scan line is:

Claim Account Number: 531301561

Beneficiary Identification Code D

Surname HOL

Total Amount Due \$366.60

Scan line for the following is:

531301561 1901 233027 0036660 1828

Check Digits Created

Claim Account Number Check Digit 1

Beneficiary Identification Code Check Digit 8

Surname Code Check Digit 2

Total Amount Due Check Digit 9

See Check Digit Calculations for details.

Create the Scan line Claim Account Number:

Place the nine- digit Claim Account Number in position 1 – 9.

531301561

Create the Scan line Beneficiary Code

Beneficiary Identification Code:

D

Convert the letter D to digits from the OCR Conversion Chart which is 19.

Convert blank from the OCR Conversion Chart which is 01.

1901

Create the Scan line Surname Code

EXHIBIT O

Convert the letter H to digits from the OCR Conversion Chart which is 23.

Convert the letter O to digits from the OCR Conversion Chart which is 30.

Convert the letter L to digits from the OCR Conversion Chart which is 27.

233027

Create the Scan line Total Amount Due

Place the Total Amount of 366.60 digits only in position 23 – 29 Right Justify and pad left with zeroes.

0036660

OCR Conversion Chart

Character/ Number	Numeric Representation
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
0	0
Space	00
' (apostrophe)	01
- (hyphen)	02
A	16
B	17
C	18
D	19
E	20
F	21
G	22
H	23
I	24
J	25
K	26
L	27
M	28
N	29
O	30

EXHIBIT O

Character/ Number	Numeric Representation
P	31
Q	32
R	33
S	34
T	35
U	36
V	37
W	38
X	39
Y	40
Z	41
0	42
1	43
2	44
3	45
4	46
5	47
6	48
7	49
8	50
9	51

Check Digit Rules

Calculate check Digit by following the Processing Rules

Processing Rule or Value name	Value	Comments
Modulus	10	Divide by 10
Weight Sequence Direction (End at which to start applying weights to string)	<	Start from the right
Weight Sequence	2, 1, 2, 1	
Carry (Sum of Products)	Y	
Subtract Result	Y	Subtract the sum of the results from 10
Concerned Fields	Claim Account Number Beneficiary Identification Code Surname Total Amount Due	

1. Apply weight sequence from right to left.
2. Multiply Field Values by the weight value and obtain products for each digit.
3. Sum the double digit products to create single digits.
4. Sum resulting single digits.
5. Divide the total by 10.
6. Subtract any remainder from 10.

EXHIBIT O

Example:

Scanline

531301561 1901 233027 0036660 1829

Claim Number:

5 3 1 3 0 1 5 6 1

Claim Number Check digit is the first number in the check digit cluster 1829

1. Apply weight sequence (2, 1, 2, 1,) from right to left

5	3	1	3	0	1	5	6	1
2	1	2	1	2	1	2	1	2

←

2. Multiply Field Values by the weight value and obtain products for each digit

10 3 2 3 0 1 10 6 2

3. Sum the double digit products to create single digits

1 3 2 3 0 1 1 6 2

4. Sum resulting single digits

$$1 + 3 + 2 + 3 + 0 + 1 + 1 + 6 + 2 = 19$$

5. Divide the total by 10.

$$19/10 = 1 \text{ remainder } 9$$

6. Subtract any remainder from 10.

$$10 - 9 = 1 \text{ (First digit of the Check Digit Cluster)}$$