109TH CONGRESS
1ST SESSION

H. R. 2762

To direct the Secretary of Health and Human Services to establish a demonstration project for the use of an Internet-based form for submission of certain claims under the Medicare Program.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 2005

Mr. ANDREWS introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To direct the Secretary of Health and Human Services to establish a demonstration project for the use of an Internet-based form for submission of certain claims under the Medicare Program.

1   *Be it enacted by the Senate and House of Representa-*

2   *tives of the United States of America in Congress assembled,*

3   **SECTION 1. MEDICARE INTERNET-BASED CLAIMS SUBMIS-**

4   **SION DEMONSTRATION PROJECT.**

5   (a) ESTABLISHMENT OF DEMONSTRATION

6   PROJECT.—The Secretary of Health and Human Services

7   shall implement a demonstration project (in this section

1 referred to as the ''project'') to provide for the use of the

2 Internet for the electronic submission of claims by pro-

3 viders of services under the medicare program for which

4 the HCFA–1500 claim form is utilized. The Secretary

5 may carry out the project directly or through a third-party

6 contractor.

7   (b) PROMPT PAYMENT OF CLAIMS.—

8   (1) IN GENERAL.—Subject to paragraph (2),

9   for each clean claim that is submitted electronically

10   by a provider of services under the project, the Sec-

11   retary shall make payment to the provider of serv-

12   ices for the claim by not later than 30 days after re-

13   ceipt of the claim.

14   (2) EXCEPTIONS FOR FRAUD.—Payment shall

15   not be made if the Secretary determines the claim

16   is fraudulent, in part or in whole. In promulgating

17   regulations to carry out the project, the Secretary

18   shall provide examples of fraudulent or otherwise de-

19   ficient claims for which payment would not be made

20   under the medicare program or through the project.

21   (c) DESIGNATION OF MEDICARE PAYMENT AREAS

22 COVERED BY PROJECT.—The Secretary shall designate

23 medicare payment areas located in the New England or

24 mid-Atlantic areas as areas in which the project under this

25 section will be conducted.

1   (d) CONSULTATION.—Before implementing the

2 project under this section, the Secretary shall consult with

3 affected parties on—

4   (1) the design of the project, including require-

5   ments for electronic signatures;

6   (2) the selection criteria for the third-party con-

7   tractor; and

8   (3) the establishment of performance standards,

9   as described in subsection (e).

10 (e) PERFORMANCE STANDARDS.—

11   (1) IN GENERAL.—The Secretary shall establish

12   performance standards for the accuracy and timeli-

13   ness of claims filing, processing, and payment func-

14   tions performed under the project.

15   (2) NONCOMPLIANCE.—In the event that a

16   third-party contractor (if any) is not in substantial

17   compliance with the performance standards estab-

18   lished under paragraph (1), such claims filing, proc-

19   essing, and payment functions shall be performed by

20   the Secretary unless the Secretary contracts with

21   another third-party contractor.

22 (f) CONFIDENTIALITY OF INFORMATION.—

23   (1) COMPLIANCE WITH HIPAA RULES.—The

24   Secretary shall ensure that a third-party contractor

25   participating under the project shall protect the con-

1 fidentiality of individually identifiable health infor-
2 mation consistent with the standards for the privacy
3 of such information promulgated by the Secretary
4 under the Health Insurance Portability and Ac-
5 countability Act of 1996, or any subsequent com-
6 prehensive and more protective set of confidentiality
7 standards enacted into law or promulgated by the
8 Secretary.

9 (2) PROHIBITION ON SALE OF INDIVIDUALLY
10 IDENTIFIABLE HEALTH INFORMATION.—A third-
11 party contractor participating under the project may
12 not sell any individually identifiable health informa-
13 tion collected under the project.

14 (g) REPORT TO CONGRESS.—The Secretary shall pe-
15 riodically submit reports to the Congress providing—

16 (1) analysis of the overall effectiveness of the
17 project;

18 (2) findings with respect to—

19 (A) increase or reduction in funds lost to
20 fraud, abuse, misuse, mistakes, and any other
21 factor the Secretary determines to be appro-
22 priate; and

23 (B) changes in efficiency in processing
24 claims submitted by electronic means compared
25 with claims not submitted electronically; and

1   (3) recommendations on—

2   (A) continuation of the project; and

3   (B) extension or expansion of the use of

4   Internet-based electronic claims submission

5   under the medicare program.

6   (h) WAIVER AUTHORITY.—The Secretary shall waive

7 compliance with the requirements of title XVIII of the So-

8 cial Security Act to such extent and for such period as

9 the Secretary determines is necessary to conduct the

10 project.

11   (i) DURATION.—A demonstration project under this

12 section shall be conducted for a 3-year period.

13   (j) DEFINITIONS.—In this section:

14   (1) The term ''medicare program'' means the

15   health insurance program established under title

16   XVIII of the Social Security Act (42 U.S.C. 1395 et

17   seq.).

18   (2) The term ''provider of service'' has the

19   meaning given that term in section 1861(u) of such

20   Act (42 U.S.C. 1395x(u)), and includes a physician

21   (as defined in section 1861(r) of such Act (42

22   U.S.C. 1395x(r)).

1   (3) The term "clean claim" has the meaning

2   given that term in section 1816(c)(2)(B)(i) of such

3   Act (42 U.S.C. 1395h(c)(2)(B)(i)).

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