

111TH CONGRESS
1ST SESSION

S. 1521

To amend titles XVIII and XIX of the Social Security Act to require provider payments under Medicare and Medicaid to be made through direct deposit or electronic funds transfer (EFT) at insured depository institutions.

IN THE SENATE OF THE UNITED STATES

JULY 28, 2009

Ms. KLOBUCHAR (for herself and Mr. MARTINEZ) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend titles XVIII and XIX of the Social Security Act to require provider payments under Medicare and Medicaid to be made through direct deposit or electronic funds transfer (EFT) at insured depository institutions.

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. SHORT TITLE.**

4 This Act may be cited as the “Improving Medicare-
5 Medicaid Payment Policy for Reimbursement through
6 Oversight and Efficiency Act of 2009” or the “IMPROVE
7 Act of 2009”.

1 **SEC. 2. REQUIRING PROVIDER AND SUPPLIER PAYMENTS**
 2 **UNDER MEDICARE AND MEDICAID TO BE**
 3 **MADE THROUGH DIRECT DEPOSIT OR ELEC-**
 4 **TRONIC FUNDS TRANSFER (EFT) AT INSURED**
 5 **DEPOSITORY INSTITUTIONS.**

6 (a) MEDICARE.—Section 1874 of the Social Security
 7 Act (42 U.S.C. 1395kk) is amended by adding at the end
 8 the following new subsection:

9 “(e) LIMITATION ON PAYMENT TO PROVIDERS OF
 10 SERVICES AND SUPPLIERS.—No payment shall be made
 11 under this title for items and services furnished by a pro-
 12 vider of services or supplier unless each payment to the
 13 provider of services or supplier is in the form of direct
 14 deposit or electronic funds transfer to the provider of serv-
 15 ices’ or supplier’s account, as applicable, at a depository
 16 institution (as defined in section 19(b)(1)(A) of the Fed-
 17 eral Reserve Act (12 U.S.C. 461(b)(1)(A))).”.

18 (b) MEDICAID.—Section 1903(d) of such Act (42
 19 U.S.C. 1396b(d)) is amended by adding at the end the
 20 following new paragraph:

21 “(7) Payment shall be made to a State under sub-
 22 section (a) for expenditures made by the State for pay-
 23 ment for items and services furnished by a provider or
 24 supplier of items or services under this title if each pay-
 25 ment by the State to the provider or supplier is in the
 26 form of direct deposit or electronic funds transfer to the

1 provider's or supplier's account, as applicable, at a deposi-
2 tory institution (as defined in section 19(b)(1)(A) of the
3 Federal Reserve Act (12 U.S.C. 461(b)(1)(A))).”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to each payment made to a pro-
6 vider of services, provider, or supplier on or after such
7 date (not later than 60 days after the date of the enact-
8 ment of this Act) as the Secretary of Health and Human
9 Services shall specify, regardless of when the items and
10 services for which such payment is made were furnished.

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