

114TH CONGRESS
1ST SESSION

H. R. 3220

To establish a smart card pilot program under the Medicare program.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2015

Mr. ROSKAM (for himself, Mr. BLUMENAUER, Mr. DOLD, Mr. BRENDAN F. BOYLE of Pennsylvania, and Mr. COSTELLO of Pennsylvania) 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

A BILL

To establish a smart card pilot program 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. SHORT TITLE.**

4 This Act may be cited as the “Medicare Common Ac-
5 cess Card Act of 2015”.

6 **SEC. 2. SECURE MEDICARE CARD PILOT PROGRAM.**

7 (a) PILOT PROGRAM IMPLEMENTATION (PHASE I).—

1 (1) IN GENERAL.—Not later than 18 months
2 after the date of the enactment of this Act, the Sec-
3 retary shall conduct a pilot program under title
4 XVIII of the Social Security Act for the purpose of
5 utilizing smart card technology for Medicare bene-
6 ficiary identification cards in order to—

7 (A) increase the quality of care furnished
8 to Medicare beneficiaries;

9 (B) improve the accuracy and efficiency in
10 the billing for Medicare items and services;

11 (C) reduce the potential for identity theft
12 and other unlawful use of Medicare beneficiary
13 identifying information; and

14 (D) reduce waste, fraud, and abuse in the
15 Medicare program.

16 (2) SITE REQUIREMENTS.—

17 (A) IN GENERAL.—The Secretary shall
18 conduct the pilot program in at least 3 areas in
19 which the Secretary determines there is a high
20 risk for waste and abuse.

21 (B) PRIORITY IN TIMING OF DISTRIBUTION
22 OF CARDS.—In each site selected by the Sec-
23 retary under subparagraph (A), the Secretary
24 shall give priority in the provision of the identi-
25 fication cards to Medicare beneficiaries who

1 self-identify as individuals whose personal iden-
2 tity and health information has previously been
3 compromised.

4 (3) DESIGN OF PILOT PROGRAM.—In designing
5 the pilot program, the Secretary shall provide for the
6 following:

7 (A) Implementation of a system that uti-
8 lizes a smart card as a Medicare identification
9 card for Medicare beneficiaries. Such a card
10 shall contain appropriate security features and
11 protect personal privacy.

12 (B) Issuance of a new smart card to all
13 Medicare beneficiaries participating in the pilot
14 program. Such card shall have the Medicare
15 identification number of the beneficiary stored
16 securely on the smart card chip along with
17 other information the Secretary deems nec-
18 essary.

19 (C) A process under which the cards issued
20 under subparagraph (B) are used by both Medi-
21 care beneficiaries and Medicare providers to
22 verify eligibility, prevent fraud, and authorize
23 transactions.

24 (D) Regular monitoring and review by the
25 Secretary of Medicare providers' Medicare bil-

lings and Medicare beneficiaries' Medicare records in order to identify and address inaccurate charges and instances of waste, fraud, or abuse.

(E) Reporting mechanisms for measuring the cost savings to the Medicare program by reason of the pilot program.

(F) Include provisions—

(i) to ensure that all devices and systems utilized as part of the pilot program comply with standards for identity credentials developed by the American National Standards Institute and the National Institute of Standards and Technology and Federal requirements relating to interoperability and information security, including all requirements under the Health Insurance Portability and Accountability Act of 1996;

(ii) to ensure that a Medicare beneficiary's personal identifying, health, and other information is protected from unauthorized access or disclosure through the use of at least two-factor authentication;

1 (iii) for the development of procedures
2 and guidelines for the use of identification
3 cards, card readers, kiosks, and other
4 equipment to verify a Medicare bene-
5 ficiary's identity and eligibility for services;

6 (iv) to ensure that each Medicare ben-
7 eficiary participating in the pilot program
8 is informed of—

9 (I) the purpose of the program;

10 (II) the processes for capturing,
11 enrolling, and verifying their eligi-
12 bility; and

13 (III) the steps that will be taken
14 to protect personal identifying, health,
15 and other information from unauthor-
16 ized access and disclosure;

17 (v) for addressing problems related to
18 the loss, theft, or malfunction of or dam-
19 age to equipment and any identifying docu-
20 ments or materials provided by the Sec-
21 retary;

22 (vi) for development of a hotline or
23 other means by which Medicare bene-
24 ficiaries can contact the Secretary for as-
25 sistance; and

1 (vii) for addressing problems related
2 to accessing care outside the pilot area and
3 cases where the individual faces issues re-
4 lated to physical or other capacity limita-
5 tions.

6 (4) PRIVACY.—Information on the smart card
7 shall only be disclosed if the disclosure of such infor-
8 mation is permitted under the Federal regulations
9 (concerning the privacy of individually identifiable
10 health information) promulgated under section
11 264(c) of the Health Insurance Portability and Ac-
12 countability Act of 1996.

13 (5) DISCLOSURE EXEMPTION.—Information on
14 the smart card shall be exempt from disclosure
15 under section 552(b)(3) of title 5, United States
16 Code.

17 (b) EXPANDED IMPLEMENTATION (PHASE II).—
18 Taking into account the interim report under subsection
19 (d)(2) the Secretary shall, through rulemaking, expand
20 the duration and the scope of the pilot program, to the
21 extent determined appropriate by the Secretary.

22 (c) WAIVER AUTHORITY.—The Secretary may waive
23 such requirements of titles XI and XVIII of the Social
24 Security Act as may be necessary to carry out the pur-
25 poses of the pilot program established under this section.

1 (d) REPORTS TO CONGRESS.—

2 (1) PLAN.—Not later than 6 months after the
3 date of the enactment of this Act, the Secretary
4 shall submit to Congress a report that contains a de-
5 scription of the design and development of the pilot
6 program, including the Secretary’s plan for imple-
7 mentation.

8 (2) ADDITIONAL REPORT.—Not later than 2
9 years after the date that the pilot program is first
10 implemented, the Secretary shall submit to Congress
11 a report on the pilot program. Such report shall con-
12 tain a detailed description of issues related to the ex-
13 pansion of the program under subsection (b), rec-
14 ommendations for such legislation and administra-
15 tive actions as the Secretary considers appropriate
16 for implementation of the program on a nationwide
17 basis, and justifications for such recommendations.

18 (e) DEFINITIONS.—In this section:

19 (1) MEDICARE BENEFICIARY.—The term
20 “Medicare beneficiary” means an individual entitled
21 to, or enrolled for, benefits under part A of title
22 XVIII of the Social Security Act or enrolled for ben-
23 efits under part B of such title.

1 (2) MEDICARE PROGRAM.—The term “Medicare
2 program” means the health benefits program under
3 title XVIII of the Social Security Act.

4 (3) MEDICARE PROVIDER.—The term “Medi-
5 care provider” means a provider of services (as de-
6 fined in subsection (u) of section 1861 of the Social
7 Security Act (42 U.S.C. 1395x)) and a supplier (as
8 defined in subsection (d) of such section), including
9 a supplier of durable medical equipment and sup-
10 plies.

11 (4) PILOT PROGRAM.—The term “pilot pro-
12 gram” means the pilot program conducted under
13 this section.

14 (5) SECRETARY.—The term “Secretary” means
15 the Secretary of Health and Human Services.

16 (6) SMART CARD.—The term “smart card”
17 means a secure, electronic, machine readable, fraud-
18 resistant, tamper-resistant card that includes an em-
19 bedded integrated circuit chip with a secure micro-
20 controller.

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