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114TH CONGRESS
1ST SESSION

H. R. 3718

To amend titles XVIII and XIX of the Social Security Act to curb waste, fraud, and abuse in the Medicare and Medicaid programs.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 8, 2015

Mr. ROSKAM (for himself and Mr. CARNEY) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, 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 amend titles XVIII and XIX of the Social Security Act to curb waste, fraud, and abuse in the Medicare and Medicaid programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Preventing and Reducing Improper Medicare and Medicaid Expenditures to Restore Integrity to Benefits Act of 2015''.

SEC. 2. STRENGTHENING MEDICAID PROGRAM INTEGRITY THROUGH FLEXIBILITY.

Section 1936 of the Social Security Act (42 U.S.C. 1396u–6) is amended—

(1) in subsection (a), by inserting ", or otherwise," after "entities"; and

(2) in subsection (e)—

(A) in paragraph (1), in the matter preceding subparagraph (A), by inserting "(including the costs of equipment, salaries and benefits, and travel and training)" after "Program under this section"; and

(B) in paragraph (3), by striking "by 100" and inserting "by 100, or such number as determined necessary by the Secretary to carry out the Program,".

SEC. 3. ESTABLISHING MEDICARE ADMINISTRATIVE CONTRACTOR ERROR REDUCTION INCENTIVES.

(a) IN GENERAL.—Section 1874A(b)(1)(D) of the Social Security Act (42 U.S.C. 1395kk–1(b)(1)(D)) is amended—

(1) by striking "QUALITY.—The Secretary" and inserting "QUALITY.—

"(i) IN GENERAL.—Subject to clauses (ii) and (iii), the Secretary"; and

(2) by inserting after clause (i), as added by paragraph (1), the following new clauses:

"(ii) IMPROPER PAYMENT RATE REDUCTION INCENTIVES.—The Secretary shall provide incentives for medicare administrative contractors to reduce the improper payment error rates in their jurisdictions.

"(iii) INCENTIVES.—The incentives provided for under clause (ii)—

"(I) may include a sliding scale of award fee payments and additional incentives to medicare administrative contractors that either reduce the improper payment rates in their jurisdictions to certain thresholds, as determined by the Secretary, or accomplish tasks, as determined by the Secretary, that further improve payment accuracy; and

"(II) may include substantial reductions in award fee payments under cost-plus-award-fee contracts, for medicare administrative contractors that reach an upper end improper

payment rate threshold or other threshold as determined by the Secretary, or fail to accomplish tasks, as determined by the Secretary, that further improve payment accuracy.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall apply to contracts entered into or renewed on or after the date that is 3 years after the date of enactment of this Act.

(2) APPLICATION TO EXISTING CONTRACTS.—In the case of contracts in existence on or after the date of the enactment of this Act and that are not subject to the effective date under paragraph (1), the Secretary of Health and Human Services shall, when appropriate and practicable, seek to apply the incentives provided for in the amendments made by subsection (a) through contract modifications.

SEC. 4. STRENGTHENING PENALTIES FOR THE ILLEGAL DISTRIBUTION OF A MEDICARE, MEDICAID, OR CHIP BENEFICIARY IDENTIFICATION OR BILLING PRIVILEGES.

Section 1128B(b) of the Social Security Act (42 U.S.C. 1320a–7b(b)) is amended by adding at the end the following:

''(4) Whoever without lawful authority knowingly and willfully purchases, sells or distributes, or arranges for the purchase, sale, or distribution of a beneficiary identification number or unique health identifier for a health care provider under title XVIII, title XIX, or title XXI shall be imprisoned for not more than 10 years or fined not more than $500,000 ($1,000,000 in the case of a corporation), or both.''.

SEC. 5. IMPROVING THE SHARING OF DATA BETWEEN THE FEDERAL GOVERNMENT AND STATE MEDICAID PROGRAMS.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall establish a plan to encourage and facilitate the participation of States in the Medicare-Medicaid Data Match Program (commonly referred to as the ''Medi-Medi Program'') under section 1893(g) of the Social Security Act (42 U.S.C. 1395ddd(g)).

(b) PROGRAM REVISIONS TO IMPROVE MEDI-MEDI DATA MATCH PROGRAM PARTICIPATION BY STATES.—Section 1893(g)(1)(A) of the Social Security Act (42 U.S.C. 1395ddd(g)(1)(A)) is amended—

(1) in the matter preceding clause (i), by inserting ''or otherwise'' after ''eligible entities'';

(2) in clause (i)—

(A) by inserting ''to review claims data'' after ''algorithms''; and

(B) by striking ''service, time, or patient'' and inserting ''provider, service, time, or patient'';

(3) in clause (ii)—

(A) by inserting ''to investigate and recover amounts with respect to suspect claims'' after ''appropriate actions''; and

(B) by striking ''; and'' and inserting a semicolon;

(4) in clause (iii), by striking the period and inserting ''; and''; and

(5) by adding at the end the following new clause:

''(iv) furthering the Secretary's design, development, installation, or enhancement of an automated data system architecture—

''(I) to collect, integrate, and assess data for purposes of program integrity, program oversight, and administration, including the Medi-Medi Program; and

"(II) that improves the coordination of requests for data from States.".

(c) PROVIDING STATES WITH DATA ON IMPROPER PAYMENTS MADE FOR ITEMS OR SERVICES PROVIDED TO DUAL ELIGIBLE INDIVIDUALS.—

(1) IN GENERAL.—The Secretary shall develop and implement a plan that allows each State agency responsible for administering a State plan for medical assistance under title XIX of the Social Security Act access to relevant data on improper or fraudulent payments made under the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) for health care items or services provided to dual eligible individuals.

(2) DUAL ELIGIBLE INDIVIDUAL DEFINED.—In this section, the term "dual eligible individual" means an individual who is entitled to, or enrolled for, benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.), or enrolled for benefits under part B of title XVIII of such Act (42 U.S.C. 1395j et seq.), and is eligible for medical assistance under a State plan under title XIX of such Act (42 U.S.C. 1396 et seq.) or under a waiver of such plan.

SEC. 6. REPORT ON IMPLEMENTATION.

Not later than 18 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to Congress a report on the implementation of the provisions of, and the amendments made by—

(1) this Act; and

(2) sections 506 and 507 of the Medicare Access and CHIP Reauthorization Act of 2015 (Public Law 114–10).

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