

114TH CONGRESS
1ST SESSION

S. 1871

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

IN THE SENATE OF THE UNITED STATES

JULY 27, 2015

Mr. KIRK (for himself and Mr. RUBIO) introduced the following bill; which
was read twice and referred to the Committee on Finance

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).—

8 (1) IN GENERAL.—Not later than 18 months
9 after the date of the enactment of this Act, the Sec-
10 retary shall conduct a pilot program under title
11 XVIII of the Social Security Act for the purpose of

1 utilizing smart card technology for Medicare bene-
2 ficiary identification cards in order to—

3 (A) increase the quality of care furnished
4 to Medicare beneficiaries;

5 (B) improve the accuracy and efficiency in
6 the billing for Medicare items and services;

7 (C) reduce the potential for identity theft
8 and other unlawful use of Medicare beneficiary
9 identifying information; and

10 (D) reduce waste, fraud, and abuse in the
11 Medicare program.

12 (2) SITE REQUIREMENTS.—

13 (A) IN GENERAL.—The Secretary shall
14 conduct the pilot program in at least 3 areas in
15 which the Secretary determines there is a high
16 risk for waste and abuse.

17 (B) PRIORITY IN TIMING OF DISTRIBUTION
18 OF CARDS.—In each site selected by the Sec-
19 retary under subparagraph (A), the Secretary
20 shall give priority in the provision of the identi-
21 fication cards to Medicare beneficiaries who
22 self-identify that their personal identity and
23 health information has previously been com-
24 promised.

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

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

9 (B) Issuance of a new smart card to all
10 Medicare beneficiaries participating in the pilot
11 program. Such card shall have the Medicare
12 identification number of the Medicare bene-
13 ficiary stored securely on the smart card chip
14 along with other information the Secretary
15 deems necessary.

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

21 (D) Regular monitoring and review by the
22 Secretary of Medicare providers' Medicare bil-
23 lings and Medicare beneficiaries' Medicare
24 records in order to identify and address inac-

1 curate charges and instances of waste, fraud, or
2 abuse.

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

6 (F) Include provisions—

7 (i) to ensure that all devices and sys-
8 tems utilized as part of the pilot program
9 comply with standards for identity creden-
10 tials developed by the American National
11 Standards Institute and the National Insti-
12 tute of Standards and Technology and
13 Federal requirements relating to interoper-
14 ability and information security, including
15 all requirements under the Health Insur-
16 ance Portability and Accountability Act of
17 1996;

18 (ii) to ensure that a Medicare bene-
19 ficiary's personal identifying, health, and
20 other information is protected from unau-
21 thorized access or disclosure through the
22 use of at least two-factor authentication;

23 (iii) for the development of procedures
24 and guidelines for the use of identification
25 cards, card readers, kiosks, and other

1 equipment to verify a Medicare bene-
2 ficiary's identity and eligibility for services;

3 (iv) to ensure that each Medicare ben-
4 eficiary participating in the pilot program
5 is informed of—

6 (I) the purpose of the program;

7 (II) the processes for capturing,
8 enrolling, and verifying their eligi-
9 bility; and

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

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

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

23 (vii) for addressing problems related
24 to accessing care outside the pilot area and
25 cases where the individual faces issues re-

1 lated to physical or other capacity limita-
2 tions.

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

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

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

19 (c) WAIVER AUTHORITY.—The Secretary may waive
20 such provisions of titles XI and XVIII of the Social Secu-
21 rity Act as the Secretary determines to be appropriate for
22 the conduct of the pilot program.

23 (d) REPORTS TO CONGRESS.—

24 (1) PLAN.—Not later than 6 months after the
25 date of the enactment of this Act, the Secretary

1 shall submit to Congress a report that contains a de-
2 scription of the design and development of the pilot
3 program, including the Secretary's plan for imple-
4 mentation.

5 (2) ADDITIONAL REPORT.—Not later than 2
6 years after the date that the pilot program is first
7 implemented, the Secretary shall submit to Congress
8 a report on the pilot program. Such report shall con-
9 tain—

10 (A) a detailed description of issues related
11 to the expansion of the program under sub-
12 section (b);

13 (B) recommendations for such legislation
14 and administrative actions as the Secretary con-
15 siders appropriate for implementation of the
16 program on a nationwide basis; and

17 (C) a justification for each recommenda-
18 tion described in subparagraph (B).

19 (e) DEFINITIONS.—In this section:

20 (1) MEDICARE BENEFICIARY.—The term
21 “Medicare beneficiary” means an individual entitled
22 to, or enrolled for, benefits under part A of title
23 XVIII of the Social Security Act or enrolled for ben-
24 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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