

119TH CONGRESS
2^D SESSION

H. R. 8804

To amend title XVIII of the Social Security Act to authorize the Secretary of Health and Human Services to enter into contracts with recovery audit contractors to perform prepayment reviews under the Medicare program.

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 2026

Mr. SMUCKER 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 amend title XVIII of the Social Security Act to authorize the Secretary of Health and Human Services to enter into contracts with recovery audit contractors to perform prepayment reviews 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 Payment In-
5 tegrity Enhancement Act of 2026”.

1 **SEC. 2. AUTHORIZING RECOVERY AUDITOR CONTRACTORS**
2 **TO CONDUCT PREPAYMENT REVIEWS UNDER**
3 **MEDICARE.**

4 (a) IN GENERAL.—Section 1893(h) of the Social Se-
5 curity Act (42 U.S.C. 1395ddd(h)) is amended—

6 (1) in paragraph (1)—

7 (A) in matter preceding subparagraph

8 (A)—

9 (i) by striking “and recouping” and
10 inserting “, recouping”; and

11 (ii) by striking “title.” and inserting
12 “title, and conducting prepayment review
13 of claims for payment under this title.”;

14 (B) in subparagraph (A), by inserting “ex-
15 cept in the case of prepayment review of claims
16 for payment under this title,” before “payment
17 shall be made”;

18 (C) in subparagraph (B)—

19 (i) by inserting “except in the case of
20 prepayment review of claims for payment
21 under this title,” before “from such
22 amounts”; and

23 (ii) in clause (ii), by striking “and” at
24 the end;

25 (D) in subparagraph (C), by striking the
26 period at the end and inserting “; and”; and

1 (E) by inserting after subparagraph (C)
2 the following new subparagraph:

3 “(D) payment to such a contractor for pre-
4 payment review of claims for payment under
5 this title shall be made in amounts determined
6 under a methodology established by the Sec-
7 retary that—

8 “(i) takes into account the amount of
9 improper payment that such contractor
10 prevented from being paid under this title;
11 and

12 “(ii) incentivizes the timely and accu-
13 rate prevention of such improper pay-
14 ments, without a disproportionate focus on
15 particular types of claims.”;

16 (2) in paragraph (3), by inserting “, and not
17 later than 1 year after the date of the enactment of
18 the Medicare Payment Integrity Enhancement Act
19 of 2026, in the case of contracts relating to the pre-
20 payment review of claims for payment under this
21 title” after “under part C or D”;

22 (3) in paragraph (7)—

23 (A) by inserting “or the prevention of part
24 or all of a payment under this title based on a

1 prepayment review of a claim for payment”
2 after “individual or entity”; and

3 (B) by inserting “or prepayment review”
4 after “such overpayment”;

5 (4) in paragraph (8), by inserting “(and, to the
6 extent that contracts under this subsection require
7 prepayment review of claims for payment under this
8 title, on the performance of such contractors with re-
9 spect to such prepayment reviews)” after “recouping
10 overpayments”; and

11 (5) by adding at the end the following new
12 paragraph:

13 “(11) FUNDING FOR PREPAYMENT REVIEW.—
14 For purposes of making payment to recovery audit
15 contractors for prepayment review of claims for pay-
16 ment under this title, as described in paragraph
17 (1)(D), the Secretary shall provide for the transfer,
18 from the Federal Hospital Insurance Trust Fund
19 under section 1817 and the Federal Supplementary
20 Medical Insurance Trust Fund under section 1841,
21 in such proportion as the Secretary determines ap-
22 propriate based upon the relative amount of im-
23 proper payments that such contractors prevented
24 from being paid under parts A and B, of such sums
25 as the Secretary determines necessary, to the Cen-

1 ters for Medicare & Medicaid Services Program
2 Management Account.”.

3 (b) REGULATIONS.—Not later than 1 year after the
4 date of the enactment of this section, the Secretary of
5 Health and Human Services shall issue such rules as are
6 necessary to implement the amendments made by sub-
7 section (a). Such rules shall include—

8 (1) a description of the methodology that the
9 Secretary shall use as the basis for making payment
10 to recovery audit contractors for the prepayment re-
11 view of claims for payment under title XVIII of the
12 Social Security Act (42 U.S.C. 1395 et seq.); and

13 (2) a description of the methodology that the
14 Secretary shall use to calculate savings to the Medi-
15 care program under such title XVIII generated by
16 such prepayment reviews.

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