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(Original Signature of Member)

119TH CONGRESS  
1ST SESSION

**H. R.**

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To amend title XVIII of the Social Security Act to apply improved prompt payment requirements to Medicare Advantage organizations.

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IN THE HOUSE OF REPRESENTATIVES

Mr. ARRINGTON introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend title XVIII of the Social Security Act to apply improved prompt payment requirements to Medicare Advantage organizations.

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 Advantage  
5       Prompt Pay Act”.

1   **SEC. 2. APPLICATION OF IMPROVED PROMPT PAYMENT RE-**  
2                   **QUIREMENTS TO MEDICARE ADVANTAGE OR-**  
3                   **GANIZATIONS.**

4    (a) REQUIREMENTS.—

5               (1) IN GENERAL.—Section 1857 of the Social  
6               Security Act (42 U.S.C. 1395w-27) is amended—

7               (A) in subsection (f), by striking para-  
8               graph (1) and inserting the following:

9               “(1) REQUIREMENTS.—

10               “(A) ITEMS AND SERVICES FURNISHED BY  
11               IN-NETWORK AND OUT-OF-NETWORK PRO-  
12               VIDERS OF SERVICES AND SUPPLIERS.—

13               “(i) IN GENERAL.—A contract under  
14               this part between the Secretary and a  
15               Medicare Advantage organization offering  
16               a Medicare Advantage plan shall require  
17               the organization to provide prompt pay-  
18               ment for not less than 95 percent of clean  
19               claims submitted to the organization, with  
20               respect to covered items or services fur-  
21               nished to enrollees by a provider of services  
22               or supplier, within the applicable number  
23               of calendar days after the date of initial  
24               receipt of such clean claim, regardless of  
25               whether such items or services are fur-  
26               nished under a contract between the orga-

1 nization and the provider of services or  
2 supplier.

3 “(ii) APPLICABLE NUMBER OF CAL-  
4 ENDAR DAYS.—In clause (i), the term ‘ap-  
5 plicable number of calendar days’ means—

6 “(I) in the case of a claim sub-  
7 mitted electronically, by a provider of  
8 services or supplier for items or serv-  
9 ices furnished under a contract be-  
10 tween the organization and the pro-  
11 vider of services or supplier, 14 days;  
12 and

13 “(II) in the case of a claim not  
14 described in subclause (I), 30 days.

15 “(B) CLEAN CLAIM DEFINED.—In this  
16 paragraph, the term ‘clean claim’ means a  
17 claim that—

18 “(i) has a complete data set, with re-  
19 spect to the UB-04 or CMS 1500 form, as  
20 applicable, (or successor to such applicable  
21 form) for all entries identified as manda-  
22 tory entries by the National Uniform Bill-  
23 ing Committee; and

24 “(ii) in the case of a claim submitted  
25 electronically, is completed in accordance

1 with the applicable standards and data ele-  
2 ments adopted under section 1173(a).

1 section 6103 of title 5, United States  
2 Code.

3                     “(D) INTEREST APPLIED FOR CLEAN  
4                     CLAIMS NOT PROMPTLY PAID.—If payment for  
5                     such covered items or services is not issued,  
6                     mailed, or otherwise transmitted to the provider  
7                     of services or supplier for such claims that are  
8                     clean claims, in accordance with subparagraph  
9                     (A), by not later than the deadline for such  
10                    payment under such subparagraph, the MA or-  
11                    ganization shall pay the provider of services or  
12                    supplier interest at the rate used for purposes  
13                    of section 3902(a) of title 31, United States  
14                    Code (relating to interest penalties for failure to  
15                    make prompt payments) for the period begin-  
16                    ning on the day after such required payment  
17                    date and ending on the date on which payment  
18                    is made.”; and

19 (B) in subsection (g)—  
20 (i) by redesignating paragraph (4) as  
21 paragraph (5);

22 (ii) by inserting after paragraph (3)  
23 the following new paragraph:

24                   “(4) APPLICATION OF CIVIL MONEY PENALTIES  
25                   TO PROMPT PAY VIOLATIONS.—If the Secretary de-

1       termines that an MA organization with a contract  
2       under this section is not in compliance with sub-  
3       section (f)(1), the Secretary shall provide, in addi-  
4       tion to any other remedies authorized by law, for  
5       civil money penalties of not more than \$25,000 for  
6       each such determination. In making a determination  
7       under the previous sentence, the Secretary may take  
8       into account information collected pursuant to sec-  
9       tion 1851(d)(4)(D)(v).”; and

10 (iii) in paragraph (5), as redesignated  
11 by clause (i), by striking “or (3)” and in-  
12 serting “, (3), or (4)”.

17 (b) PROVISION OF INFORMATION REGARDING COM-  
18 PLIANCE WITH PROMPT PAYMENT REQUIREMENTS.—  
19 Section 1851(d)(4)(D) of the Social Security Act (42  
20 U.S.C. 1395w-21(d)(4)(D)) is amended—

21 (1) in clause (iii), by striking “and” at the end;

22 (2) in clause (iv), by striking the period and in-

23 serting “, and”; and

24 (3) by adding at the end the following new

25 clause:

1                     “(v) information regarding compliance  
2                     of the plan with the prompt payment re-  
3                     quirements under section 1857(f)(1), in-  
4                     cluding, with respect to the most recent  
5                     12-month period for which data are avail-  
6                     able—

7                     “(I) the number and percent of  
8                     submitted claims for which payment  
9                     was made by the plan;

10                    “(II) the number and percent of  
11                    submitted claims—

12                    “(aa) that were for items or  
13                    services furnished by a provider  
14                    of services or supplier under a  
15                    contract between the organization  
16                    offering the plan and the pro-  
17                    vider of services or supplier; and

18                    “(bb) that were for items or  
19                    services not furnished under such  
20                    a contract;

21                    “(III) the number and percent of  
22                    submitted claims described in each of  
23                    items (aa) and (bb) of subclause (II)  
24                    for which payment was made by the

1 plan by the deadline required pursuant  
2 ant to section 1857(f)(1)(A);