

119TH CONGRESS
1ST SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

Ms. CORTEZ MASTO introduced the following bill; which was read twice and referred to the Committee on _____

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 “_____ Act of
5 _____”.

6 **SEC. 2. APPLICATION OF IMPROVED PROMPT PAYMENT RE-**
7 **QUIREMENTS TO MEDICARE ADVANTAGE OR-**
8 **GANIZATIONS.**

9 (a) REQUIREMENTS.—

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

3 (A) in subsection (f)—

4 (i) in the subsection heading, by strik-
5 ing “MEDICARE+CHOICE” and inserting
6 “MEDICARE ADVANTAGE”;

7 (ii) in paragraph (1)—

8 (I) by striking “REQUIRE-
9 MENT.—A contract” and inserting
10 “REQUIREMENTS.—

11 “(A) ITEMS AND SERVICES FURNISHED BY
12 OUT-OF-NETWORK PROVIDERS OF SERVICES
13 AND SUPPLIERS.—A contract”;

14 (II) in subparagraph (A), as
15 added by clause (ii)—

16 (aa) by striking “A contract
17 under this part” and all that fol-
18 lows through “1842(c)(2)) of
19 claims” and inserting the fol-
20 lowing: “A contract under this
21 part between the Secretary and a
22 Medicare Advantage organization
23 offering an MA plan shall require
24 payment for not less than 95 per-
25 cent of clean claims”;

1 (bb) by striking
2 “Medicare+Choice private fee-
3 for-service plan” and inserting
4 “Medicare Advantage private fee-
5 for-service plan”; and

6 (cc) by adding at the end
7 the following: “Such clean claims
8 shall be paid within 30 calendar
9 days after the date of initial re-
10 ceipt by the Medicare Advantage
11 organization, unless the provider
12 or supplier is paid directly by the
13 enrollee.”; and

14 (III) by adding at the end the
15 following new subparagraphs:

16 “(B) ITEMS AND SERVICES FURNISHED BY
17 IN-NETWORK PROVIDERS OF SERVICES AND
18 SUPPLIERS.—For contract years beginning
19 after **[2026]**, a contract under this part be-
20 tween the Secretary and a Medicare Advantage
21 organization offering an MA plan shall require
22 that any contract or other agreement between
23 the MA organization and a provider of services
24 or supplier for furnishing covered items or serv-
25 ices to enrollees shall include provisions requir-

1 ing payment by the Medicare Advantage organi-
2 zation to such provider of services or supplier
3 for not less than **[95]** percent of clean claims
4 within 30 calendar days after the date of initial
5 receipt of such clean claim.

6 “(C) CLEAN CLAIM DEFINED.—In this
7 paragraph, the term ‘clean claim’ means a
8 claim that—

9 “(i) has a complete data set, with re-
10 spect to the UB-04 or CMS 1500 form, as
11 applicable, (or successor to such applicable
12 form) for all entries identified as manda-
13 tory entries by the National Uniform Bill-
14 ing Committee;

15 “(ii) in the case of a claim submitted
16 electronically, is completed in accordance
17 with the applicable standards and data ele-
18 ments adopted under section 1173(a); and

19 “(iii) has no particular circumstance
20 requiring special treatment that prevents
21 timely payment from being made on the
22 claim, including if a claim is subject to a
23 fraud investigation or a medical necessity
24 review.

1 “(D) REBUTTABLE PRESUMPTION FOR RE-
2 CEIPT OF CLAIM.—For purposes of this para-
3 graph, there shall be a rebuttable presumption
4 that a claim has been received by a Medicare
5 Advantage organization—

6 “(i) in the case of a claim submitted
7 electronically, on the date verified in the
8 health care claim status request and re-
9 sponse transaction that is for such claim
10 and meets applicable standards and data
11 elements adopted under section 1173(a)
12 for such electronic requests and responses;
13 and

14 “(ii) in the case of a claim submitted
15 otherwise, on the fifth business day after
16 the postmark date of the claim or the date
17 specified in the time stamp of the trans-
18 mission.

19 “(E) INTEREST APPLIED FOR CLEAN
20 CLAIMS NOT PROMPTLY PAID.—If payment for
21 such covered items or services is not issued,
22 mailed, or otherwise transmitted to the provider
23 of services or supplier for such claims that are
24 clean claims, in accordance with subparagraph
25 (A) or (B) (as applicable), by not later than the

1 deadline for such payment under such subpara-
2 graph, the Medicare Advantage organization
3 shall pay the provider of services or supplier in-
4 terest at the rate used for purposes of section
5 3902(a) of title 31, United States Code (relat-
6 ing to interest penalties for failure to make
7 prompt payments) for the period beginning on
8 the day after such required payment date and
9 ending on the date on which payment is
10 made.”; and

11 (B) in subsection (g)—

12 (i) by redesignating paragraph (4) as
13 paragraph (5);

14 (ii) by inserting after paragraph (3)
15 the following new paragraph:

16 “(4) APPLICATION OF CIVIL MONEY PENALTIES
17 TO PROMPT PAY VIOLATIONS.—If the Secretary de-
18 termines that an MA organization with a contract
19 under this section is not in compliance with sub-
20 section (f)(1), the Secretary shall provide, in addi-
21 tion to any other remedies authorized by law, for
22 civil money penalties of not more than \$10,000 for
23 each such determination. In making a determination
24 under the previous sentence, the Secretary may take

1 into account information collected pursuant to sec-
2 tion 1851(d)(8).”; and

3 (iii) in paragraph (5), as redesignated
4 by subparagraph (A), by striking “or (3)”
5 and inserting “, (3), or (4)”.

6 (2) EFFECTIVE DATE.—The amendments made
7 by this subsection shall apply with respect to items
8 and services furnished on or after **January 1,**
9 **2027,** and contract years beginning on or after
10 such date.

11 (b) PROVISION OF INFORMATION REGARDING COM-
12 PLIANCE WITH PROMPT PAYMENT REQUIREMENTS.—
13 Section 1851(d) of the Social Security Act (42 U.S.C.
14 1395w–21(d)) is amended by adding at the end the fol-
15 lowing new paragraph:

16 “(8) INFORMATION REGARDING COMPLIANCE
17 WITH PROMPT PAYMENT REQUIREMENTS.—

18 “(A) SUBMISSION.—For each plan year be-
19 ginning after January 1, **2026**, a Medicare
20 Advantage organization offering an MA plan
21 shall submit to the Secretary (in a form and
22 manner, and at a time, specified by the Sec-
23 retary) information regarding compliance of the
24 plan with the prompt payment requirements
25 under section 1857(f)(1), including, with re-

1 spect to **【the most recent 12-month period for**
2 which data are available**】**—

3 “(i) the **【number】/【percent】** of sub-
4 mitted claims for which payment was made
5 by the plan;

6 “(ii) the **【number】/【percent】** of sub-
7 mitted claims with respect to which—

8 “(I) the requirements of subpara-
9 graph (A) of section 1857(f)(1) apply;
10 and

11 “(II) the requirements of sub-
12 paragraph (B) of such section apply;

13 “(iii) the **【number】/【percent】** of sub-
14 mitted claims described in each of sub-
15 clauses (I) and (II) of clause (ii) for which
16 payment was made by the plan by the
17 deadline required pursuant to subpara-
18 graph (A) or (B) of section 1857(f)(1), as
19 applicable;

20 “(iv) the **【number】/【percent】** of sub-
21 mitted claims described in each of sub-
22 clauses (I) and (II) of clause (ii) for which
23 interest was paid by the plan pursuant to
24 subparagraph (E) of such section; and

1 “(v) the total amount of interest paid
2 by the plan pursuant to each of such sub-
3 paragraphs (A) and (B).

4 “(B) PUBLIC AVAILABILITY OF INFORMA-
5 TION SUBMITTED.—The Secretary shall make
6 the information collected under subparagraph
7 (A) publicly available on the internet website of
8 the Centers for Medicare & Medicaid Services.”.