

106TH CONGRESS  
2D SESSION

# H. R. 4401

To amend title XVIII of the Social Security Act to provide for a moratorium on the mandatory delay of payment of claims submitted under part B of the Medicare Program and to establish an advanced informational infrastructure for the administration of Federal health benefits programs.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 9, 2000

Mr. HORN (for himself, and Mr. CALVERT) introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committee on Ways and Means, and Government Reform, 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 title XVIII of the Social Security Act to provide for a moratorium on the mandatory delay of payment of claims submitted under part B of the Medicare Program and to establish an advanced informational infrastructure for the administration of Federal health benefits programs.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “Health Care Infrastructure Investment Act of 2000”.

4 (b) TABLE OF CONTENTS.—The table of contents of  
5 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Moratorium on delayed payments under contracts that provide for the  
disbursement of funds.

Sec. 3. Establishment of the Health Care Infrastructure Commission.

Sec. 4. Study and final recommendations; timetable for implementation of ad-  
vanced informational infrastructure.

Sec. 5. Application of advanced informational infrastructure to the FEHBP.

Sec. 6. Authorization of appropriations.

6 **SEC. 2. MORATORIUM ON DELAYED PAYMENTS UNDER**  
7 **CONTRACTS THAT PROVIDE FOR THE DIS-**  
8 **BURSEMENT OF FUNDS.**

9 Section 1842(c) of the Social Security Act (42 U.S.C.  
10 1395u(c)) is amended by striking paragraph (3).

11 **SEC. 3. ESTABLISHMENT OF THE HEALTH CARE INFRA-**  
12 **STRUCTURE COMMISSION.**

13 (a) ESTABLISHMENT.—There is established within  
14 the Department of Health and Human Services a Health  
15 Care Infrastructure Commission (in this section referred  
16 to as the “Commission”) to coordinate the expertise and  
17 programs within and among departments and agencies of  
18 the Federal Government for the purposes of designing and  
19 implementing an advanced informational infrastructure  
20 for the administration of Federal health benefits pro-  
21 grams.

22 (b) DUTIES.—The Commission shall—

1           (1) establish an advanced informational infra-  
2           structure for the administration of Federal health  
3           benefits programs which consists of an immediate  
4           claim, administration, payment resolution, and data  
5           collection system (in this section referred to as the  
6           “system”) that is initially for use by carriers to  
7           process claims submitted by providers and suppliers  
8           under part B of the medicare program under title  
9           XVIII of the Social Security Act (42 U.S.C. 1395j  
10          et seq.) after conducting the study under section  
11          4(a)(1);

12          (2) implement such system in accordance with  
13          the final recommendations published under sub-  
14          section (a)(2) of section 4 and the timetable set  
15          forth under subsection (b) of such section; and

16          (3) carry out such other matters as the Sec-  
17          retary of Health and Human Services (in this sec-  
18          tion referred to as the “Secretary”), in consultation  
19          with the other members of the Commission, may  
20          prescribe.

21          (c) MEMBERSHIP.—

22                (1) NUMBER AND APPOINTMENT.—The Com-  
23          mission shall be composed of 7 members as follows:

24                    (A) The Secretary, who shall be the chair-  
25          person of the Commission.

1 (B) One shall be appointed from the Na-  
 2 tional Aeronautics and Space Administration by  
 3 the Administrator.

4 (C) One shall be appointed from the De-  
 5 fense Advanced Research Projects Agency by  
 6 the Director.

7 (D) One shall be appointed from the Na-  
 8 tional Science Foundation by the Director.

9 (E) One shall be appointed from the Office  
 10 of Science and Technology Policy by the Direc-  
 11 tor.

12 (F) One shall be appointed from the De-  
 13 partment of Veterans Affairs by the Secretary.

14 (G) One shall be appointed from the Office  
 15 of Management and Budget by the Director.

16 (2) REQUIREMENTS.—Each of the members ap-  
 17 pointed under subparagraphs (B) through (G) of  
 18 paragraph (1) shall—

19 (A) have been appointed as an officer or  
 20 employee of the agency by the President by and  
 21 with the advice and consent of the Senate; and

22 (B) be an expert in advanced information  
 23 technology.

24 (3) DEADLINE FOR INITIAL APPOINTMENT.—

25 The members of the Commission shall be appointed

1 by not later than 3 months after the date of enact-  
2 ment of this Act.

3 (d) MEETINGS.—

4 (1) IN GENERAL.—The Commission shall meet  
5 at the call of the chairperson, except that it shall  
6 meet—

7 (A) not less than 4 times each year; or

8 (B) on the written request of a majority of  
9 its members.

10 (2) QUORUM.—A majority of the members of  
11 the Commission shall constitute a quorum, but a  
12 lesser number of members may hold hearings.

13 (e) COMPENSATION.—Each member of the Commis-  
14 sion shall serve without compensation in addition to that  
15 received for the services of such member as an officer or  
16 employee of the United States.

17 (f) STAFF.—

18 (1) IN GENERAL.—The chairperson of the Com-  
19 mission may, without regard to the civil service laws  
20 and regulations, appoint and terminate an executive  
21 director and such other additional personnel as may  
22 be necessary to enable the Commission to perform  
23 its duties.

24 (2) COMPENSATION.—The chairperson of the  
25 Commission may fix the compensation of the execu-

1        tive director and other personnel without regard to  
2        the provisions of chapter 51 and subchapter III of  
3        chapter 53 of title 5, United States Code, relating  
4        to classification of positions and General Schedule  
5        pay rates, except that the rate of pay for the execu-  
6        tive director and other personnel may not exceed the  
7        rate payable for level V of the Executive Schedule  
8        under section 5316 of such title.

9            (3) DETAIL OF GOVERNMENT EMPLOYEES.—

10       Any Federal Government employee may be detailed  
11       to the Commission without reimbursement, and such  
12       detail shall be without interruption or loss of civil  
13       service status or privilege.

14       (g) PROCUREMENT OF TEMPORARY AND INTERMIT-  
15       TENT SERVICES.—The chairperson of the Commission  
16       may procure temporary and intermittent services under  
17       section 3109(b) of title 5, United States Code, at rates  
18       for individuals which do not exceed the daily equivalent  
19       of the annual rate of basic pay prescribed for level V of  
20       the Executive Schedule under section 5316 of such title.

21       (h) TERMINATION.—The Commission shall terminate  
22       on the date on which the system is fully implemented  
23       under section 4(b)(3).

1 **SEC. 4. STUDY AND FINAL RECOMMENDATIONS; TIME-**  
2 **TABLE FOR IMPLEMENTATION OF ADVANCED**  
3 **INFORMATIONAL INFRASTRUCTURE.**

4 (a) STUDY AND FINAL RECOMMENDATIONS.—

5 (1) STUDY.—The Commission shall conduct a  
6 study during the 3-year period beginning on the date  
7 of enactment of this Act on the design and construc-  
8 tion of an immediate claim, administration, payment  
9 resolution, and data collection system (in this section  
10 referred to as the “system”) that—

11 (A) immediately advises each provider and  
12 supplier of coverage determinations;

13 (B) immediately notifies each provider or  
14 supplier of any incomplete or invalid claim,  
15 including—

16 (i) the identification of any missing  
17 information;

18 (ii) the identification of any coding er-  
19 rors; and

20 (iii) information detailing how the  
21 provider or supplier may develop a claim  
22 under such system;

23 (C) allows for proper completion and re-  
24 submission of each claim identified as incom-  
25 plete or invalid under subparagraph (B);

1 (D) allows for immediate automatic proc-  
2 essing of clean claims (as defined in section  
3 1842(c)(2)(B)(i) of the Social Security Act (42  
4 U.S.C. 1395u(c)(2)(B)(i)) so that a provider or  
5 supplier may provide a written explanation of  
6 medical benefits, including an explanation of  
7 costs and coverage to any beneficiary under  
8 part B of the medicare program under title  
9 XVIII of the Social Security Act (42 U.S.C.  
10 1395j et seq.) at the point of care; and

11 (E) allows for electronic payment of claims  
12 to each provider and supplier, including pay-  
13 ment through electronic funds transfer, for each  
14 claim for which payment is not made on a peri-  
15 odic interim payment basis under such part.

16 (2) FINAL RECOMMENDATIONS.—

17 (A) PUBLICATION.—Not later than 3 years  
18 after the date of enactment of this Act, the  
19 chairperson of the Commission shall publish in  
20 the Federal Register final recommendations  
21 that reflect input from each interested party,  
22 including providers and suppliers, insurance  
23 companies, and health benefits management  
24 concerns using a process similar to the process  
25 used for developing standards under section



1 1172(c) of the Social Security Act (42 U.S.C.  
2 1320d–1(c)).

3 (B) CONSIDERATIONS.—In developing the  
4 final recommendations to be published under  
5 subparagraph (A), the Commission shall—

6 (i) make every effort to design system  
7 specifications that are flexible, scalable,  
8 and performance-based; and

9 (ii) ensure that strict security  
10 measures—

11 (I) guard system integrity;

12 (II) protect the privacy of pa-  
13 tients and the confidentiality of per-  
14 sonally identifiable health insurance  
15 data used or maintained under the  
16 system; and

17 (III) apply to any network serv-  
18 ice provider used in connection with  
19 the system.

20 (b) TIMETABLE.—The timetable set forth under this  
21 subsection is as follows:

22 (1) INITIAL IMPLEMENTATION.—Not later than  
23 5 years after the date of enactment of this Act, the  
24 system shall support—

1 (A) 50 percent of queries regarding cov-  
2 erage determinations;

3 (B) 30 percent of determinations regarding  
4 incomplete or invalid claims; and

5 (C) immediate processing at the point of  
6 care of 40 percent of clean claims submitted by  
7 providers and suppliers under part B of the  
8 medicare program.

9 (2) INTERMEDIATE IMPLEMENTATION.—Not  
10 later than 7 years after the date of enactment of  
11 this Act, the system shall support—

12 (A) 70 percent of queries regarding cov-  
13 erage determinations;

14 (B) 50 percent of determinations regarding  
15 incomplete or invalid claims; and

16 (C) immediate processing at the point of  
17 care of 60 percent of clean claims submitted by  
18 providers and suppliers under part B of the  
19 medicare program.

20 (3) FULL IMPLEMENTATION.—Not later than  
21 10 years after the date of enactment of this Act, the  
22 system shall support—

23 (A) 90 percent of queries regarding cov-  
24 erage determinations;

1 (B) 60 percent of determinations regarding  
 2 incomplete or invalid claims; and

3 (C) immediate processing at the point of  
 4 care of 40 percent of the total number of claims  
 5 submitted by providers and suppliers under  
 6 part B of the medicare program.

7 **SEC. 5. APPLICATION OF ADVANCED INFORMATIONAL IN-**  
 8 **FRASTRUCTURE TO THE FEHBP.**

9 (a) IN GENERAL.—The Office of Personnel Manage-  
 10 ment (in this section referred to as the “Office”) shall—

11 (1) adapt the immediate claim, administration,  
 12 payment resolution, and data collection system es-  
 13 tablished under section 3 (in this section referred to  
 14 as the “system”) for use under the Federal employ-  
 15 ees health benefits program under chapter 89 of title  
 16 5, United States Code; and

17 (2) require that carriers (as defined in section  
 18 8901(7) of such Code) participating in such pro-  
 19 gram use the system to satisfy certain minimum re-  
 20 quirements for claim submission, processing, and  
 21 payment in accordance with the timetable set forth  
 22 in subsection (b).

23 (b) TIMETABLE.—The timetable set forth in this sub-  
 24 section is as follows:

1           (1) INITIAL IMPLEMENTATION.—Not later than  
2       5 years after the date of enactment of this Act, the  
3       Office shall require that carriers use the system to  
4       process not less than—

5           (A) 50 percent of queries regarding cov-  
6       erage determinations;

7           (B) 30 percent of determinations of incom-  
8       plete or invalid claims; and

9           (C) immediate processing at the point of  
10      care of 10 percent of the total number of  
11      claims.

12          (2) INTERMEDIATE IMPLEMENTATION.—Not  
13      later than 7 years after the date of enactment of  
14      this Act, the Office shall require that carriers use  
15      the system to support not less than—

16           (A) 70 percent of queries regarding cov-  
17      erage determinations;

18           (B) 50 percent of determinations regarding  
19      incomplete or invalid claims; and

20           (C) immediate processing at the point of  
21      care of 20 percent of the total number of  
22      claims.

23          (3) FULL IMPLEMENTATION.—Not later than  
24      10 years after the date of enactment of this Act, the

1 Office shall require that carriers use the system to  
2 support not less than—

3 (A) 90 percent of queries regarding cov-  
4 erage determinations;

5 (B) 60 percent of determinations of incom-  
6 plete or invalid claims; and

7 (C) immediate processing of 35 percent of  
8 the total number of claims.

9 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

10 (a) IN GENERAL.—There are appropriated to the  
11 Health Care Infrastructure Commission established under  
12 section 3, out of any funds in the Treasury that are not  
13 otherwise appropriated, such sums as may be necessary  
14 to carry out the provisions of this Act.

15 (b) AVAILABILITY.—Any sums appropriated under  
16 subsection (a) shall remain available until the termination  
17 of the Health Care Infrastructure Commission under sec-  
18 tion 3(h).

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