

113TH CONGRESS  
1ST SESSION

# H. R. 3024

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

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 2013

Mr. GERLACH (for himself, Mr. BLUMENAUER, and Mr. DINGELL) 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

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## 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 2013”.

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-

1       retary shall conduct a pilot program under title  
2       XVIII of the Social Security Act for the purpose of  
3       utilizing smart card technology for Medicare bene-  
4       ficiary and provider identification cards in order  
5       to—

6               (A) increase the quality of care furnished  
7       to Medicare beneficiaries;

8               (B) improve the accuracy and efficiency in  
9       the billing for Medicare items and services fur-  
10      nished by Medicare providers;

11              (C) reduce the potential for identity theft  
12      and other unlawful use of Medicare beneficiary  
13      and provider identifying information;

14              (D) reduce waste, fraud, and abuse in the  
15      Medicare program; and

16              (E) evaluate the efficiencies of patient  
17      matching.

18              (2) SITE REQUIREMENTS.—The Secretary shall  
19      conduct the pilot program in at least 5 geographic  
20      areas in which the Secretary determines there is a  
21      high risk for waste, fraud, or abuse.

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

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

6           (B) Issuance of a new smart card to all  
7 Medicare beneficiaries participating in the pilot  
8 program. Such card shall not have the Social  
9 Security number printed on the front but, in-  
10 stead shall have such number stored securely on  
11 the smart card chip along with other informa-  
12 tion the Secretary deems necessary.

13           (C) Issuance of a new provider card to all  
14 Medicare providers participating in the pilot  
15 program. Such card shall include a photograph  
16 of the provider and shall not have the Medicare  
17 provider number printed on the front of the  
18 card but, instead shall have such number stored  
19 securely on the smart card chip along with  
20 other information the Secretary deems nec-  
21 essary.

22           (D) A process for enrollment of all Medi-  
23 care providers that includes—

24                   (i) identity and certification  
25 verification; and

1 (ii) utilization of biometric data, such  
2 as fingerprints, for provider identification  
3 and authentication.

4 (E) A process under which the cards  
5 issued under subparagraphs (B) and (C) are  
6 used by both Medicare beneficiaries and Medi-  
7 care providers to verify eligibility, prevent  
8 fraud, and authorize transactions.

9 (F) Distribution of necessary equipment,  
10 including cards, card readers, kiosks, biometric  
11 readers, and other materials or documents to  
12 Medicare beneficiaries and providers at no cost  
13 to them.

14 (G) Regular monitoring and review by the  
15 Secretary of Medicare providers' Medicare bil-  
16 lings and Medicare beneficiaries' Medicare  
17 records in order to identify and address inac-  
18 curate charges and instances of waste, fraud, or  
19 abuse.

20 (H) Reporting mechanisms for measuring  
21 the cost savings to the Medicare program by  
22 reason of the pilot program.

23 (I) Including provisions—

24 (i) to ensure that all devices and sys-  
25 tems utilized as part of the pilot program

1           comply with standards for identity creden-  
2           tials and biometric data developed by the  
3           American National Standards Institute  
4           and the National Institute of Standards  
5           and Technology and Federal requirements  
6           relating to interoperability and information  
7           security, including all requirements under  
8           the Health Insurance Portability and Ac-  
9           countability Act of 1996;

10           (ii) to ensure that a Medicare bene-  
11           ficiary's and provider's personal identi-  
12           fying, health, and other information is pro-  
13           tected from unauthorized access or disclo-  
14           sure through the use of at least two-factor  
15           authentication;

16           (iii) for the development of procedures  
17           and guidelines for the use of identification  
18           cards, card readers, kiosks, biometric data  
19           and readers, and other equipment to verify  
20           a Medicare beneficiary's identity and eligi-  
21           bility for services;

22           (iv) to ensure that each Medicare ben-  
23           eficiary and provider participating in the  
24           pilot program is informed of—

25                   (I) the purpose of the program;

1 (II) the processes for capturing,  
2 enrolling, and verifying their eligibility  
3 and, with respect to providers, their  
4 biometric data;

5 (III) the manner in which the bi-  
6 ometric data for providers will be  
7 used; and

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

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

17 (vi) for development of a hotline, Web  
18 site, or other means by which Medicare  
19 beneficiaries and providers can contact the  
20 Secretary for assistance; and

21 (vii) for addressing problems related  
22 to accessing care outside the pilot area and  
23 cases where the individual faces issues re-  
24 lated to physical or other capacity limita-  
25 tions.

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

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

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

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

21          (d) REPORTS TO CONGRESS.—

22           (1) PLAN.—Not later than 6 months after the  
23 date of the enactment of this Act, the Secretary  
24 shall submit to Congress a report that contains a de-  
25 scription of the design and development of the pilot

1 program, including the Secretary's plan for imple-  
2 mentation.

3 (2) INTERIM REPORT.—Not later than 1 year  
4 after the date that the pilot program is first imple-  
5 mented, the Secretary shall conduct an evaluation of  
6 the pilot program and submit an interim report to  
7 Congress. Such an evaluation shall include an initial  
8 analysis of the deployment of the program, the  
9 usability of the card system, and the measures taken  
10 to protect beneficiary and provider information.

11 (3) ADDITIONAL REPORT.—Not later than 2  
12 years after the date that the pilot program is first  
13 implemented, the Secretary shall submit to Congress  
14 a report on the pilot program. Such report shall con-  
15 tain a detailed description of issues related to the ex-  
16 pansion of the program under subsection (b) and  
17 recommendations for such legislation and adminis-  
18 trative actions as the Secretary considers appro-  
19 priate for implementation of the program on a na-  
20 tionwide basis.

21 (e) FUNDING.—There are appropriated, from  
22 amounts in the Treasury not otherwise appropriated,  
23 \$29,000,000 for the design, implementation, and evalua-  
24 tion of the pilot program. Amounts appropriated under the  
25 preceding sentence shall remain available until expended.



1 (f) DEFINITIONS.—In this section:

2 (1) MEDICARE BENEFICIARY.—The term  
3 “Medicare beneficiary” means an individual entitled  
4 to, or enrolled for, benefits under part A of title  
5 XVIII of the Social Security Act or enrolled for ben-  
6 efits under part B of such title.

7 (2) MEDICARE PROGRAM.—The term “Medicare  
8 program” means the health benefits program under  
9 title XVIII of the Social Security Act.

10 (3) MEDICARE PROVIDER.—The term “Medi-  
11 care provider” means a provider of services (as de-  
12 fined in subsection (u) of section 1861 of the Social  
13 Security Act (42 U.S.C. 1395x)) and a supplier (as  
14 defined in subsection (d) of such section), including  
15 a supplier of durable medical equipment and sup-  
16 plies.

17 (4) PILOT PROGRAM.—The term “pilot pro-  
18 gram” means the pilot program conducted under  
19 this section.

20 (5) SECRETARY.—The term “Secretary” means  
21 the Secretary of Health and Human Services.

22 (6) SMART CARD.—The term “smart card”  
23 means a secure, electronic, machine readable, fraud-  
24 resistant, tamper-resistant card that includes an em-

- 1 bedded integrated circuit chip with a secure micro-
- 2 controller.

