

114TH CONGRESS  
1ST SESSION

# S. 1849

To amend title XVIII of the Social Security Act to establish a Medicare payment option for patients and eligible professionals to freely contract, without penalty, for Medicare fee-for-service items and services, while allowing Medicare beneficiaries to use their Medicare benefits.

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## IN THE SENATE OF THE UNITED STATES

JULY 23, 2015

Ms. MURKOWSKI (for herself, Mr. INHOFE, Mr. PAUL, Mr. CASSIDY, and Mr. BARRASSO) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to establish a Medicare payment option for patients and eligible professionals to freely contract, without penalty, for Medicare fee-for-service items and services, while allowing Medicare beneficiaries to use their Medicare benefits.

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 Patient Em-  
5       powerment Act of 2015”.

1 **SEC. 2. GUARANTEEING FREEDOM OF CHOICE AND CON-**  
 2 **TRACTING FOR PATIENTS UNDER MEDICARE.**

3 (a) IN GENERAL.—Section 1802 of the Social Secu-  
 4 rity Act (42 U.S.C. 1395a) is amended to read as follows:

5 “FREEDOM OF CHOICE AND CONTRACTING BY PATIENT  
 6 GUARANTEED

7 “SEC. 1802. (a) BASIC FREEDOM OF CHOICE.—Any  
 8 individual entitled to insurance benefits under this title  
 9 may obtain health services from any institution, agency,  
 10 or person qualified to participate under this title if such  
 11 institution, agency, or person undertakes to provide that  
 12 individual such services.

13 “(b) FREEDOM TO CONTRACT BY MEDICARE BENE-  
 14 FICIARIES.—

15 “(1) IN GENERAL.—Subject to the provisions of  
 16 this subsection, nothing in this title shall prohibit a  
 17 Medicare beneficiary from entering into a contract  
 18 with an eligible professional (whether or not the pro-  
 19 fessional is a participating or non-participating phy-  
 20 sician or practitioner) for any item or service cov-  
 21 ered under this title.

22 “(2) SUBMISSION OF CLAIMS.—Any Medicare  
 23 beneficiary that enters into a contract under this  
 24 section with an eligible professional shall be per-  
 25 mitted to submit a claim for payment under this  
 26 title for services furnished by such professional, and

1       such payment shall be made in the amount that  
2       would otherwise apply to such professional under  
3       this title except that where such professional is con-  
4       sidered to be non-participating, payment shall be  
5       paid as if the professional were participating. Pay-  
6       ment made under this title for any item or service  
7       provided under the contract shall not render the pro-  
8       fessional a participating or non-participating physi-  
9       cian or practitioner, and as such, requirements of  
10      this title that may otherwise apply to a participating  
11      or non-participating physician or practitioner would  
12      not apply with respect to any items or services fur-  
13      nished under the contract.

14           “(3) BENEFICIARY PROTECTIONS.—

15           “(A) IN GENERAL.—Paragraph (1) shall  
16      not apply to any contract unless—

17           “(i) the contract is in writing, is  
18           signed by the Medicare beneficiary and the  
19           eligible professional, and establishes all  
20           terms of the contract (including specific  
21           payment for items and services covered by  
22           the contract) before any item or service is  
23           provided pursuant to the contract, and the  
24           beneficiary shall be held harmless for any  
25           subsequent payment charged for an item

1 or service in excess of the amount estab-  
2 lished under the contract during the period  
3 the contract is in effect;

4 “(ii) the contract contains the items  
5 described in subparagraph (B); and

6 “(iii) the contract is not entered into  
7 at a time when the Medicare beneficiary is  
8 facing an emergency medical condition or  
9 urgent health care situation.

10 “(B) ITEMS REQUIRED TO BE INCLUDED  
11 IN CONTRACT.—Any contract to provide items  
12 and services to which paragraph (1) applies  
13 shall clearly indicate to the Medicare beneficiary  
14 that by signing such contract the beneficiary—

15 “(i) agrees to be responsible for pay-  
16 ment to such eligible professional for such  
17 items or services under the terms of and  
18 amounts established under the contract;

19 “(ii) agrees to be responsible for sub-  
20 mitting claims under this title to the Sec-  
21 retary, and to any other supplemental in-  
22 surance plan that may provide supple-  
23 mental insurance, for such items or serv-  
24 ices furnished under the contract if such  
25 items or services are covered by this title,

1 unless otherwise provided in the contract  
 2 under subparagraph (C)(i); and

3 “(iii) acknowledges that no limits or  
 4 other payment incentives that may other-  
 5 wise apply under this title (such as the  
 6 limits under subsection (g) of section 1848  
 7 or incentives under subsection (a)(5), (m),  
 8 (q), and (p) of such section) shall apply to  
 9 amounts that may be charged, or paid to  
 10 a beneficiary for, such items or services.

11 Such contract shall also clearly indicate whether  
 12 the eligible professional is excluded from par-  
 13 ticipation under the Medicare program under  
 14 section 1128.

15 “(C) BENEFICIARY ELECTIONS UNDER  
 16 THE CONTRACT.—Any Medicare beneficiary  
 17 that enters into a contract under this section  
 18 may elect to negotiate, as a term of the con-  
 19 tract, a provision under which—

20 “(i) the eligible professional shall file  
 21 claims on behalf of the beneficiary with the  
 22 Secretary and any supplemental insurance  
 23 plan for items or services furnished under  
 24 the contract if such items or services are

1 covered under this title or under the plan;  
 2 and

3 “(ii) the beneficiary assigns payment  
 4 to the eligible professional for any claims  
 5 filed by, or on behalf of, the beneficiary  
 6 with the Secretary and any supplemental  
 7 insurance plan for items or services fur-  
 8 nished under the contract.

9 “(D) EXCLUSION OF DUAL ELIGIBLE INDIVIDUALS.—Paragraph (1) shall not apply to  
 10 any contract if a beneficiary who is eligible for  
 11 medical assistance under title XIX is a party to  
 12 the contract.

14 “(4) LIMITATION ON ACTUAL CHARGE AND  
 15 CLAIM SUBMISSION REQUIREMENT NOT APPLICABLE.—Section 1848(g) shall not apply with respect  
 16 to any item or service provided to a Medicare bene-  
 17 ficiary under a contract described in paragraph (1).

19 “(5) CONSTRUCTION.—Nothing in this section  
 20 shall be construed—

21 “(A) to prohibit any eligible professional  
 22 from maintaining an election and acting as a  
 23 participating or non-participating physician or  
 24 practitioner with respect to any patient not cov-

1           ered under a contract established under this  
2           section; and

3           “(B) as changing the items and services  
4           for which an eligible professional may bill under  
5           this title.

6           “(6) DEFINITIONS.—In this subsection:

7           “(A) MEDICARE BENEFICIARY.—The term  
8           ‘Medicare beneficiary’ means an individual who  
9           is entitled to benefits under part A or enrolled  
10          under part B.

11          “(B) ELIGIBLE PROFESSIONAL.—The term  
12          ‘eligible professional’ has the meaning given  
13          such term in section 1848(k)(3)(B).

14          “(C) EMERGENCY MEDICAL CONDITION.—  
15          The term ‘emergency medical condition’ means  
16          a medical condition manifesting itself by acute  
17          symptoms of sufficient severity (including se-  
18          vere pain) such that a prudent layperson, with  
19          an average knowledge of health and medicine,  
20          could reasonably expect the absence of imme-  
21          diate medical attention to result in—

22                  “(i) serious jeopardy to the health of  
23                  the individual or, in the case of a pregnant  
24                  woman, the health of the woman or her  
25                  unborn child;

1 “(ii) serious impairment to bodily  
2 functions; or

3 “(iii) serious dysfunction of any bodily  
4 organ or part.

5 “(D) PARTICIPATING; NON-PARTICI-  
6 PATING.—The terms ‘participating’ and ‘non-  
7 participating’ have the meanings given such  
8 terms under subsection (h) of section 1842 for  
9 purposes of such section.

10 “(E) URGENT HEALTH CARE SITUA-  
11 TION.—The term ‘urgent health care situation’  
12 means services furnished to an individual who  
13 requires services to be furnished within 12  
14 hours in order to avoid the likely onset of an  
15 emergency medical condition.”.

16 **SEC. 3. PREEMPTION OF STATE LAWS LIMITING CHARGES**  
17 **FOR SERVICES BY AN ELIGIBLE PROFES-**  
18 **SIONAL.**

19 (a) IN GENERAL.—No State may impose a limit on  
20 the amount of charges for services, furnished by an eligible  
21 professional (as defined in subsection (k)(3)(B) of section  
22 1848 of the Social Security Act, 42 U.S.C. 1395w–4), for  
23 which payment is made under such section, and any such  
24 limit is hereby preempted.

1       (b) STATE.—In this section, the term “State” in-  
2 cludes the District of Columbia, Puerto Rico, the Virgin  
3 Islands, Guam, and American Samoa.

