

119TH CONGRESS
1ST SESSION

H. R. 5454

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

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 2025

Mr. ARRINGTON (for himself and Ms. SÁNCHEZ) 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

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-

nization and the provider of services or supplier.

“(ii) APPLICABLE NUMBER OF CALENDAR DAYS.—In clause (i), the term ‘applicable number of calendar days’ means—

“(I) in the case of a claim submitted electronically, by a provider of services or supplier for items or services furnished under a contract between the organization and the provider of services or supplier, 14 days; and

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

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

“(i) has a complete data set, with respect to the UB-04 or CMS 1500 form, as applicable (or successor to such applicable form), for all entries identified as mandatory entries by the National Uniform Billing Committee; and

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

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

3 “(C) REBUTTABLE PRESUMPTION FOR RE-
4 CEIPT OF CLAIM.—

5 “(i) IN GENERAL.—For purposes of
6 this paragraph, there shall be a rebuttable
7 presumption that a claim has been received
8 by an MA organization—

9 “(I) in the case of a claim sub-
10 mitted electronically, on the date
11 verified in the health care claim status
12 request and response transaction that
13 is for such claim and meets applicable
14 standards and data elements adopted
15 under section 1173(a) for such elec-
16 tronic requests and responses; and

17 “(II) in the case of a claim sub-
18 mitted otherwise, on the fifth business
19 day after the postmark date of the
20 claim or the date specified in the time
21 stamp of the transmission.

22 “(ii) BUSINESS DAY DEFINED.—In
23 clause (i)(II), the term ‘business day’
24 means any day other than Saturday, Sun-
25 day, or a legal public holiday described in

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-

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

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

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

(b) PROVISION OF INFORMATION REGARDING COMPLIANCE WITH PROMPT PAYMENT REQUIREMENTS.—Section 1851(d)(4)(D) of the Social Security Act (42 U.S.C. 1395w–21(d)(4)(D)) is amended—

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

(2) in clause (iv), by striking the period and inserting “, and”; and

(3) by adding at the end the following new 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 pursu-
2 ant to section 1857(f)(1)(A);

3 “(IV) the number and percent of
4 submitted claims described in each of
5 items (aa) and (bb) of subclause (II)
6 for which interest was paid by the
7 plan pursuant to section
8 1857(f)(1)(D); and

9 “(V) the total amount of interest
10 paid by the plan pursuant to such sec-
11 tion.”.

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