

112<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 1509

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IN THE SENATE OF THE UNITED STATES

DECEMBER 21, 2012

Received; read twice and referred to the Committee on Finance

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## AN ACT

To amend title II of the Social Security Act to prohibit the inclusion of Social Security account numbers on Medicare cards.

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.**

2 This Act may be cited as the “Medicare Identity  
3 Theft Prevention Act of 2012”.

4 **SEC. 2. PROHIBITION OF INCLUSION OF SOCIAL SECURITY**  
5 **ACCOUNT NUMBERS ON MEDICARE CARDS.**

6 (a) IN GENERAL.—Section 205(c)(2)(C) of the Social  
7 Security Act (42 U.S.C. 405(c)(2)(C)) is amended—

8 (1) by moving clause (x), as added by section  
9 1414(a)(2) of the Patient Protection and Affordable  
10 Care Act, 2 ems to the left;

11 (2) by redesignating clause (x), as added by  
12 section 2(a)(1) of the Social Security Number Pro-  
13 tection Act of 2010, and clause (xi) as clauses (xi)  
14 and (xii), respectively; and

15 (3) by adding at the end the following new  
16 clause:

17 “(xiii) The Secretary of Health and Human Services,  
18 in consultation with the Commissioner of Social Security,  
19 shall establish cost-effective procedures to ensure that a  
20 Social Security account number (or derivative thereof) is  
21 not displayed, coded, or embedded on the Medicare card  
22 issued to an individual who is entitled to benefits under  
23 part A of title XVIII or enrolled under part B of title  
24 XVIII and that any other identifier displayed on such card  
25 is not identifiable as a Social Security account number (or  
26 derivative thereof).”.

1           (b) IMPLEMENTATION.—In implementing clause (xiii)  
2 of section 205(c)(2)(C) of the Social Security Act (42  
3 U.S.C. 405(c)(2)(C)), as added by subsection (a)(3), the  
4 Secretary of Health and Human Services shall establish  
5 a cost-effective process that involves the least amount of  
6 disruption to Medicare beneficiaries and health care pro-  
7 viders. The Secretary shall consider implementing a pro-  
8 cess, similar to the process involving Railroad Retirement  
9 Board beneficiaries, under which a Medicare beneficiary  
10 identifier which is not a Social Security account number  
11 (or derivative thereof) is used external to the Department  
12 of Health and Human Services and is convertible over to  
13 a Social Security account number (or derivative thereof)  
14 for use internal to such Department and the Social Secu-  
15 rity Administration.

16           (c) EFFECTIVE DATE.—

17           (1) IN GENERAL.—Clause (xiii) of section  
18 205(c)(2)(C) of the Social Security Act (42 U.S.C.  
19 405(c)(2)(C)), as added by subsection (a)(3), shall  
20 apply with respect to Medicare cards issued on and  
21 after an effective date specified by the Secretary of  
22 Health and Human Services, but in no case shall  
23 such effective date be later than the date that is 3  
24 years after the date of the enactment of this Act.

25           (2) REISSUANCE.—The Secretary—

1 (A) shall provide for the reissuance of  
2 Medicare cards that comply with the require-  
3 ments of such clause not later than 3 years  
4 after the effective date specified by the Sec-  
5 retary under paragraph (1); and

6 (B) may permit an individual to apply for  
7 the reissuance of a Medicare card that complies  
8 with such requirements before the date of  
9 reissuance otherwise provided under subpara-  
10 graph (A) in such exceptional circumstances as  
11 the Secretary may specify.

12 (d) FUNDING.—

13 (1) OFFSET FROM MIF.—Amounts in the Medi-  
14 care Improvement Fund under section 1898 of the  
15 Social Security Act (42 U.S.C. 1395iii) that are  
16 available for expenditures from the Fund for services  
17 furnished in a fiscal year (through fiscal year 2020)  
18 shall be available for transfer to the Centers for  
19 Medicare & Medicaid Services Program Management  
20 Account as the Secretary of Health and Human  
21 Services determines necessary to offset the costs in-  
22 curred by the Secretary (including costs under the  
23 agreement described in paragraph (2)(A)) in such  
24 fiscal year (or a previous fiscal year) in imple-  
25 menting clause (xiii) of section 205(c)(2)(C) of such

1 Act (42 U.S.C. 405(c)(2)(C)), as added by sub-  
2 section (a)(3), and this section.

3 (2) AVAILABILITY OF FUNDING FOR THE SO-  
4 CIAL SECURITY ADMINISTRATION.—

5 (A) FUNDING UNDER AGREEMENT.—The  
6 Commissioner of Social Security and the Sec-  
7 retary of Health and Human Services shall  
8 enter into and maintain an agreement which  
9 shall—

10 (i) provide funds to the Commissioner,  
11 at scheduled intervals as specified in the  
12 agreement, for the full costs of the respon-  
13 sibilities of the Commissioner under this  
14 section; and

15 (ii) require an annual accounting and  
16 reconciliation of the actual costs incurred  
17 and the funds provided under the agree-  
18 ment.

19 (B) AVAILABILITY OF FUNDS.—Amounts  
20 transferred to the Centers for Medicare & Med-  
21 icaid Services Program Management Account  
22 under paragraph (1) shall be available to the  
23 Secretary of Health and Human Services to  
24 carry out the agreement under subparagraph  
25 (A) and the Secretary shall provide funds to the

1           Commissioner as required under such agree-  
2           ment.

3           (e) ACCOUNTABILITY.—

4           (1) ACCOUNTING OF EXPENDITURES.—The  
5           Secretary of Health and Human Services and the  
6           Commissioner of Social Security shall—

7                   (A) keep a detailed accounting of expendi-  
8                   tures associated with the implementation of  
9                   such clause and this section; and

10                   (B) submit a report on such expenditures  
11                   to the Committee on Ways and Means of the  
12                   House of Representatives, the Committee on  
13                   Finance of the Senate, and the Comptroller  
14                   General of the United States, on a semi-annual  
15                   basis, in each of fiscal years 2013 through  
16                   2021.

17           (2) AUDIT.—The Comptroller General shall  
18           conduct a semi-annual financial audit of the expend-  
19           itures of the Department of Health and Human  
20           Services and of the Social Security Administration  
21           during such fiscal years in implementing such clause  
22           and this section. Each such audit shall include an  
23           examination of whether funds made available under  
24           subsection (d) are used solely for the purpose de-  
25           scribed in such subsection.

1 **SEC. 3. MEDICARE SMART CARD TECHNOLOGY STUDY AND**  
2 **REPORT.**

3 (a) STUDY.—The Comptroller General of the United  
4 States shall conduct a study that examines whether the  
5 Medicare program should use smart card technology for  
6 Medicare beneficiary cards and for provider membership  
7 cards.

8 (b) DETAILS OF STUDY.—Such study shall include  
9 an examination of the following:

10 (1) Potential levels of provider investment re-  
11 quired to use cards with such technology in various  
12 care settings.

13 (2) Systems-related and implementation-related  
14 costs to the Medicare program to use such tech-  
15 nology.

16 (3) The extent to which private insurance com-  
17 panies have adopted or considered such technology  
18 and their reasons for adoption or non-adoption of  
19 such technology.

20 (4) The extent to which use of cards with such  
21 technology would—

22 (A) reduce the potential for identity theft  
23 and other unlawful use of Medicare beneficiary  
24 and provider identifying information;

25 (B) increase the quality of care furnished  
26 to Medicare beneficiaries;

1           (C) improve the accuracy and efficiency in  
2           the billing for Medicare items and services fur-  
3           nished by Medicare providers;

4           (D) reduce waste, fraud, and abuse in the  
5           Medicare program; and

6           (E) impact the ability of Medicare bene-  
7           ficiaries to access services.

8           (c) REPORT.—Not later than 2 years after the date  
9           of the enactment of this Act, the Comptroller General shall  
10          submit to the Committees on Ways and Means and En-  
11          ergy and Commerce of the House of Representatives and  
12          the Committee on Finance of the Senate a report on the  
13          study conducted under this section. Such report may in-  
14          clude recommendations regarding the use of smart card  
15          technology under the Medicare program.

          Passed the House of Representatives December 20,  
2012.

Attest:

KAREN L. HAAS,

*Clerk.*