

112TH CONGRESS
1ST SESSION

H. R. 2925

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

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 2011

Mr. GERLACH (for himself and Mr. BLUMENAUER) 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 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 2011”.

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; and

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

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

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

23 (A) Implementation of a system that uti-
24 lizes a smart card as a Medicare identification
25 card for Medicare beneficiaries and Medicare

1 providers. Such a card shall contain appropriate
2 security features and protect personal privacy.

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

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

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

21 (i) identity and certification verifica-
22 tion; and

23 (ii) utilization of biometric data, such
24 as fingerprints, for provider identification
25 and authentication.

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

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

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

17 (H) Reporting mechanisms for measuring
18 the cost savings to the Medicare program by
19 reason of the pilot program.

20 (I) Including provisions—

21 (i) to ensure that all devices and sys-
22 tems utilized as part of the pilot program
23 comply with standards for identity creden-
24 tials and biometric data developed by the
25 American National Standards Institute

1 and the National Institute of Standards
2 and Technology and Federal requirements
3 relating to interoperability and information
4 security, including all requirements under
5 the Health Insurance Portability and Ac-
6 countability Act of 1996;

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

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

19 (iv) to ensure that each Medicare ben-
20 eficiary and provider participating in the
21 pilot program is informed of—

22 (I) the purpose of the program;

23 (II) the processes for capturing,
24 enrolling, and verifying their eligibility

1 and, with respect to providers, their
2 biometric data;

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

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

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

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

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

24 (4) PRIVACY.—Information on the smart card
25 shall only be disclosed if the disclosure of such infor-

1 mation is permitted under the Federal regulations
2 (concerning the privacy of individually identifiable
3 health information) promulgated under section
4 264(c) of the Health Insurance Portability and Ac-
5 countability Act of 1996.

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

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

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

19 (d) REPORTS TO CONGRESS.—

20 (1) PLAN.—Not later than 6 months after the
21 date of the enactment of this Act, the Secretary
22 shall submit to Congress a report that contains a de-
23 scription of the design and development of the pilot
24 program, including the Secretary’s plan for imple-
25 mentation.

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

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

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

24 (f) DEFINITIONS.—In this section:

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

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

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

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

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

21 (6) SMART CARD.—The term “smart card”
22 means a secure, electronic, machine readable, fraud-
23 resistant, tamper-resistant card that includes an em-
24 bedded integrated circuit chip with a secure micro-
25 controller.

1 (g) REVISION OF MEDICARE IMPROVEMENT FUND.—

2 Section 1898(b)(1) of the Social Security Act (42 U.S.C.

3 1395iii(b)(1)) is amended—

4 (1) by striking subparagraphs (A) and (B) and

5 inserting the following subparagraph:

6 “(A) fiscal year 2015, \$246,000,000; and”;

7 and

8 (2) by redesignating subparagraph (C) as sub-

9 paragraph (B).

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