

104TH CONGRESS
1ST SESSION

S. 762

To implement General Accounting Office recommendations regarding the use of commercial software to detect billing code abuse in medicare claims processing, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 5 (legislative day, MAY 1), 1995

Mr. HARKIN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To implement General Accounting Office recommendations regarding the use of commercial software to detect billing code abuse in medicare claims processing, and for other purposes.

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 Billing Abuse
5 Prevention Act of 1995”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds that—

1 (1) the General Accounting Office has reported
2 that the use of commercial software to detect billing
3 code abuse by medicare supplementary medical in-
4 surance program carriers may save the taxpayers
5 \$2,000,000 per day; and

6 (2) prompt use of such software may be im-
7 peded by regulatory requirements which are not re-
8 lated to efficient implementation of the medicare
9 program.

10 **SEC. 3. IMPLEMENTATION OF GENERAL ACCOUNTING OF-**
11 **FICE RECOMMENDATIONS REGARDING MEDI-**
12 **CARE CLAIMS PROCESSING.**

13 (a) IN GENERAL.—Not later than 90 days after the
14 date of the enactment of this Act, the Secretary shall, by
15 regulation, contract, change order, or otherwise, require
16 medicare carriers to acquire commercial automatic data
17 processing equipment (in this Act referred to as “ADPE”)
18 meeting the requirements of section 4 to process medicare
19 part B claims for the purpose of identifying billing code
20 abuse.

21 (b) SUPPLEMENTATION.—Any ADPE acquired in ac-
22 cordance with subsection (a) shall be used as a supplement
23 to any other ADPE used in claims processing by medicare
24 carriers.

1 (c) STANDARDIZATION.—In order to ensure uniform-
2 ity, the Secretary may require that medicare carriers that
3 use a common claims processing system acquire common
4 ADPE in implementing subsection (a).

5 (d) IMPLEMENTATION DATE.—Any ADPE acquired
6 in accordance with subsection (a) shall be in use by medi-
7 care carriers not later than 180 days after the date of
8 the enactment of this Act.

9 **SEC. 4. MINIMUM SOFTWARE REQUIREMENTS.**

10 (a) IN GENERAL.—The requirements described in
11 this section are as follows:

12 (1) The ADPE shall be a commercial item.

13 (2) The ADPE shall surpass the capability of
14 ADPE used in the processing of medicare part B
15 claims for identification of code manipulation on the
16 day before the date of the enactment of this Act.

17 (3) The ADPE shall be capable of being modi-
18 fied to—

19 (A) satisfy pertinent statutory require-
20 ments of the medicare program; and

21 (B) conform to general policies of the
22 Health Care Financing Administration regard-
23 ing claims processing.

24 (b) MINIMUM STANDARDS.—Nothing in this Act
25 shall be construed as preventing the use of ADPE which

1 exceeds the minimum requirements described in sub-
2 section (a).

3 **SEC. 5. DISCLOSURE.**

4 (a) IN GENERAL.—Notwithstanding any other provi-
5 sion of law, and except as provided in subsection (b), any
6 ADPE or data related thereto acquired by medicare car-
7 riers in accordance with section 3(a) shall not be subject
8 to public disclosure.

9 (b) EXCEPTION.—The Secretary may authorize the
10 public disclosure of any ADPE or data related thereto ac-
11 quired by medicare carriers in accordance with section
12 3(a) if the Secretary determines that—

13 (1) release of such information is in the public
14 interest; and

15 (2) the information to be released is not pro-
16 tected from disclosure under section 552(b) of title
17 5, United States Code.

18 **SEC. 6. REVIEW AND MODIFICATION OF REGULATIONS.**

19 Not later than 30 days after the date of the enact-
20 ment of this Act, the Secretary shall order a review of
21 existing regulations, guidelines, and other guidance gov-
22 erning medicare payment policies and billing code abuse
23 to determine if revision of or addition to those regulations,
24 guidelines, or guidance is necessary to maximize the bene-

1 fits to the Federal Government of the use of ADPE ac-
2 quired pursuant to section 3.

3 **SEC. 7. DEFINITIONS.**

4 For purposes of this Act—

5 (1) The term “automatic data processing equip-
6 ment” (ADPE) has the same meaning as in section
7 111(a)(2) of the Federal Property and Administra-
8 tive Services Act of 1949 (40 U.S.C. 759(a)(2)).

9 (2) The term “billing code abuse” means the
10 submission to medicare carriers of claims for serv-
11 ices that include procedure codes that do not appro-
12 priately describe the total services provided or other-
13 wise violate medicare payment policies.

14 (3) The term “commercial item” has the same
15 meaning as in section 4(12) of the Office of Federal
16 Procurement Policy Act (41 U.S.C. 403(12)).

17 (4) The term “medicare part B” means the
18 supplementary medical insurance program author-
19 ized under part B of title XVIII of the Social Secu-
20 rity Act (42 U.S.C. 1395j–1395w–4).

21 (5) The term “medicare carrier” means an en-
22 tity that has a contract with the Health Care Fi-
23 nancing Administration to determine and make med-
24 icare payments for medicare part B benefits payable

1 on a charge basis and to perform other related func-
2 tions.

3 (6) The term “payment policies” means regula-
4 tions and other rules that govern billing code abuses
5 such as unbundling, global service violations, double
6 billing, and unnecessary use of assistants at surgery.

7 (7) The term “Secretary” means the Secretary
8 of Health and Human Services.

