

106TH CONGRESS  
2D SESSION

# H. R. 5622

To establish a commission to create a comprehensive strategy for an integrated, advanced informational infrastructure for the medicare program, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 2, 2000

Mr. HORN (for himself and Mr. CALVERT) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on 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 commission to create a comprehensive strategy for an integrated, advanced informational infrastructure for the medicare program, 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; PURPOSE.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Medicare Program Infrastructure Investment Act of  
6 2000”.

7 (b) PURPOSE.—The purpose of this Act is to design  
8 a strategy for the implementation of an advanced informa-

1 tional infrastructure for the administration of parts A and  
2 B of the medicare program in coordination with the Ad-  
3 ministrator of the Health Care Financing Administration  
4 and the Chief Information Office of the Health Care Fi-  
5 nancing Administration.

6 **SEC. 2. ESTABLISHMENT OF THE HEALTH CARE INFRA-**  
7 **STRUCTURE COMMISSION.**

8 (a) **ESTABLISHMENT.**—There is established within  
9 the Department of Health and Human Services a Health  
10 Care Infrastructure Advisory Commission (in this section  
11 referred to as the “Commission”).

12 (b) **DUTIES.**—The Commission shall carry out the  
13 following duties:

14 (1) In conjunction with the Administrator and  
15 Chief Information Officer of the Health Care Fi-  
16 nancing Administration, the Commission shall de-  
17 velop a strategy to create an advanced informational  
18 infrastructure for the administration of the medicare  
19 program under parts A and B of title XVIII of the  
20 Social Security Act, including claims processing by  
21 medicare carriers and fiscal intermediaries and bene-  
22 ficiary information functions.

23 (2) 18 months after the date all of the members  
24 of the Commission are appointed under subsection  
25 (c)(2), the Commission shall submit to Congress

1 (and publish in the Federal Register) an initial re-  
2 port that describes a strategic plan to implement an  
3 advanced information structure for parts A and B of  
4 the medicare program, including a cost estimate and  
5 schedule for the plan, that—

6 (A) complies with all existing Federal fi-  
7 nancial management and information tech-  
8 nology laws;

9 (B) provides immediate, point-of-service in-  
10 formation on covered items and services under  
11 the program to each beneficiary, provider of  
12 services, physician, and supplier;

13 (C) ensures that strict security measures  
14 are integral to and designed into the system  
15 that—

16 (i) protect the privacy of patients and  
17 the confidentiality of personally identifiable  
18 health insurance data used or maintained  
19 under the system in a manner consistent  
20 with privacy regulations promulgated by  
21 the Secretary under the Health Insurance  
22 Portability and Accountability Act of 1996;

23 (ii) guard system integrity in a man-  
24 ner consistent with security regulations

1 promulgated by the Secretary under such  
2 Act; and

3 (iii) apply to any network service pro-  
4 vider used in connection with the system;

5 (D) immediately notifies each provider of  
6 services, physician, or supplier of any incom-  
7 plete or invalid claim, including—

8 (i) the identification of any missing  
9 information;

10 (ii) the identification of any coding er-  
11 rors; and

12 (iii) information detailing how the  
13 provider of services, physician, or supplier  
14 may develop a claim under such system;

15 (E) allows for proper completion and re-  
16 submission of each claim identified as incom-  
17 plete or invalid under subparagraph (D);

18 (F) allows for immediate automatic proc-  
19 essing of clean claims and subsequent payment  
20 in accordance with the provisions of sections  
21 1816(c)(2)(B)(i) and 1842(c)(2)(B)(i) of the  
22 Social Security Act (42 U.S.C.  
23 1395h(c)(2)(B)(i) and 1395u(c)(2)(B)(i)) so  
24 that a provider of services, physician, or sup-  
25 plier may immediately provide the beneficiary

1 with a written explanation of medical benefits,  
2 including an explanation of costs and coverage  
3 to any beneficiary under parts A and B at the  
4 point of care;

5 (G) allows for electronic payment of claims  
6 to each provider of services, physician, and sup-  
7 plier, including payment through electronic  
8 funds transfer, for each claim for which pay-  
9 ment is not made on a periodic interim pay-  
10 ment basis under section 1815(e)(2) of such  
11 Act (42 U.S.C. 1395g(e)(2)) for items and serv-  
12 ices furnished under part A;

13 (H) complies with all applicable trans-  
14 actions standards adopted by the Secretary  
15 under the Health Insurance Portability and Ac-  
16 countability Act of 1996;

17 (I) provides for system specifications that  
18 are flexible, modular in nature, scalable, and  
19 performance-based; and

20 (J) is designed to be used, or easily adapt-  
21 ed for use, in other health insurance programs  
22 administered by a department or agency of the  
23 United States.

24 (3) Not later than one year after the date the  
25 Commission submits the initial report under para-

1 graph (2), the Commission shall submit to Congress  
2 (and shall publish in the Federal Register) a final  
3 report on the Secretary's progress in developing an  
4 advanced informational system.

5 (4) Each report required under this  
6 subsection—

7 (A) shall include those recommendations,  
8 findings, and conclusions of the Commission  
9 that receive the approval of at least a majority  
10 of the members of the Commission; and

11 (B) shall include dissenting or additional  
12 views of members of the Commission with re-  
13 spect to the subject matter of the report.

14 (c) MEMBERSHIP.—

15 (1) COMPOSITION.—The Commission shall be  
16 composed of 13 voting members appointed in accord-  
17 ance with paragraph (2) and two ex officio voting  
18 members designated under paragraph (3).

19 (2) IN GENERAL.—Not later than 90 days after  
20 the date of the enactment of this Act, members of  
21 the Commission shall be appointed as follows:

22 (A) The Director of the Defense Advanced  
23 Research Projects Agency shall appoint one  
24 member.

1 (B) The Director of the National Science  
2 Foundation shall appoint one member.

3 (C) The Director of the Office of Science  
4 and Technology Policy shall appoint one mem-  
5 ber.

6 (D) The Secretary shall appoint one mem-  
7 ber who represents each of the following:

8 (i) Physicians and other health care  
9 practitioners.

10 (ii) Hospitals.

11 (iii) Skilled nursing facilities.

12 (iv) Home health agencies.

13 (v) Suppliers of durable medical  
14 equipment.

15 (vi) Fiscal intermediaries and carriers.

16 (E) The Secretary shall appoint two mem-  
17 bers who represent information technology pro-  
18 viders, one who represents medicare informa-  
19 tion technology providers and one who represent  
20 health industry information technology pro-  
21 viders.

22 (F) The Secretary shall appoint two mem-  
23 bers who represent medicare beneficiaries.

24 (3) EX OFFICIO MEMBERS.—The following shall  
25 serve as ex officio members of the Commission:

1 (A) The Secretary, who shall be the chair-  
2 person of the Commission.

3 (B) The Chief Financial Officer of the  
4 Health Care Financing Administration.

5 (4) QUALIFICATIONS.—Each of the members  
6 appointed under paragraph (2) shall be knowledge-  
7 able in advanced information technology, financial  
8 management, or electronic billing procedures associ-  
9 ated with health care benefit programs. One of the  
10 members appointed under paragraph (2)(F) shall  
11 have expertise in health information privacy.

12 (d) MEETINGS.—

13 (1) IN GENERAL.—The Commission shall meet  
14 at the call of the chairperson, except that it shall  
15 meet—

16 (A) not less than four times each year; or

17 (B) on the written request of a majority of  
18 its members.

19 (2) QUORUM.—A majority of the members of  
20 the Commission shall constitute a quorum, but a  
21 lesser number of members may hold hearings.

22 (e) COMPENSATION.—Each member of the Commis-  
23 sion who is a full-time officer or employee of the United  
24 States may not receive additional pay, allowances, or bene-  
25 fits by reason of their service on the Commission. Each

1 member of the Commission shall receive travel expenses  
2 and per diem in lieu of subsistence in accordance with sec-  
3 tions 5702 and 5703 of title 5, United States Code.

4 (f) STAFF.—

5 (1) IN GENERAL.—The chairperson of the Com-  
6 mission may, without regard to the civil service laws  
7 and regulations, appoint an executive director and  
8 such other additional personnel as may be necessary  
9 to enable the Commission to perform its duties.

10 (2) COMPENSATION.—The chairperson of the  
11 Commission may fix the compensation of the execu-  
12 tive director and other personnel without regard to  
13 the provisions of chapter 51 and subchapter III of  
14 chapter 53 of title 5, United States Code, relating  
15 to classification of positions and General Schedule  
16 pay rates, except that the rate of pay for the execu-  
17 tive director and other personnel may not exceed the  
18 rate payable for level V of the Executive Schedule  
19 under section 5316 of such title.

20 (3) DETAIL OF GOVERNMENT EMPLOYEES.—  
21 Upon request of the chairperson, the head of any  
22 Federal department or agency may detail to the  
23 Commission, without reimbursement, basis, any of  
24 the personnel of that department or agency to the  
25 Commission to assist it in carrying out its duties

1 under this Act. Such detail shall be without inter-  
2 ruption or loss of civil service status or privilege.

3 (g) PROCUREMENT OF TEMPORARY AND INTERMIT-  
4 TENT SERVICES.—The chairperson of the Commission  
5 may procure temporary and intermittent services under  
6 section 3109(b) of title 5, United States Code, at rates  
7 for individuals which do not exceed the daily equivalent  
8 of the annual rate of basic pay prescribed for level V of  
9 the Executive Schedule under section 5316 of such title.

10 (h) TERMINATION.—The Commission shall terminate  
11 on the date that is 60 days after the date the Commission  
12 submits to Congress the final report under subsection  
13 (b)(3).

14 (i) AUTHORIZATION OF APPROPRIATIONS.—

15 (1) IN GENERAL.—There are authorized to be  
16 appropriated out of any funds in the Treasury not  
17 otherwise appropriated, such sums as may be nec-  
18 essary for the Commission to carry out its duties  
19 under this section.

20 (2) AVAILABILITY.—Any sums appropriated  
21 under paragraph (1) shall remain available until the  
22 termination of the Commission under subsection (h).

23 (j) DEFINITIONS.—In this section:

24 (1) SECRETARY.—The term “Secretary” means  
25 the Secretary of Health and Human Services.

1           (2) ADMINISTRATOR.—The term “Adminis-  
2           trator” means the Administrator of the Health Care  
3           Financing Administration.

4           (k) APPLICABILITY OF FACA.—The provisions of the  
5           Federal Advisory Committee Act (5 U.S.C. App.) shall  
6           apply to the Commission.

7           **SEC. 3. IMPLEMENTATION OF SYSTEM.**

8           (a) ANNUAL REPORTS ON IMPLEMENTATION.—Not  
9           later than 6 months after the Commission publishes in the  
10          Federal Register the final report required under section  
11          2(b)(3) and annually thereafter until the date of final im-  
12          plementation under subsection (b), the Secretary shall  
13          submit to Congress a report on the progress of the Health  
14          Care Financing Administration on implementing a mod-  
15          ernized advanced, integrated informational infrastructure  
16          for the administration of parts A and B of the medicare  
17          program.

18          (b) FINAL IMPLEMENTATION.—Not later than 10  
19          years after the date of the enactment of this Act, the Sec-  
20          retary shall fully implement a modernized advanced, inte-  
21          grated informational infrastructure for the administration  
22          of parts A and B of the medicare program.

1 **SEC. 4. ADMINISTRATIVE SIMPLIFICATION.**

2 Section 1173(a) of the Social Security Act (42 U.S.C.  
3 1320d–2(a)) is amended by adding at the end the fol-  
4 lowing new paragraph:

5 “(4) INTERACTIVE TRANSACTIONS.—If the Sec-  
6 retary adopts a batch standard for a transaction  
7 under paragraph (1) that involves a health care pro-  
8 vider, not later than 24 months after the adoption  
9 of the batch standard, the Secretary shall also adopt  
10 an interactive standard that is compatible with the  
11 batch standard so that the provider may imme-  
12 diately complete the transaction at the point of serv-  
13 ice.”.

○