

119TH CONGRESS
1ST SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

Ms. CORTEZ MASTO (for herself and Mrs. BLACKBURN) introduced the following bill; which was read twice and referred to the Committee on

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”.

6 **SEC. 2. APPLICATION OF IMPROVED PROMPT PAYMENT RE-**
7 **QUIREMENTS TO MEDICARE ADVANTAGE OR-**
8 **GANIZATIONS.**

9 (a) REQUIREMENTS.—

1 (1) IN GENERAL.—Section 1857 of the Social
2 Security Act (42 U.S.C. 1395w–27) is amended—

3 (A) in subsection (f), by striking para-
4 graph (1) and inserting the following:

5 “(1) REQUIREMENTS.—

6 “(A) ITEMS AND SERVICES FURNISHED BY
7 IN-NETWORK AND OUT-OF-NETWORK PRO-
8 VIDERS OF SERVICES AND SUPPLIERS.—

9 “(i) IN GENERAL.—A contract under
10 this part between the Secretary and a
11 Medicare Advantage organization offering
12 a Medicare Advantage plan shall require
13 the organization to provide prompt pay-
14 ment for not less than 95 percent of clean
15 claims submitted to the organization, with
16 respect to covered items or services fur-
17 nished to enrollees by a provider of services
18 or supplier, within the applicable number
19 of calendar days after the date of initial
20 receipt of such clean claim, regardless of
21 whether such items or services are fur-
22 nished under a contract between the orga-
23 nization and the provider of services or
24 supplier.

1 “(ii) APPLICABLE NUMBER OF CAL-
2 ENDAR DAYS.—In clause (i), the term ‘ap-
3 plicable number of calendar days’ means—

4 “(I) in the case of a claim sub-
5 mitted electronically, by a provider of
6 services or supplier for items or serv-
7 ices furnished under a contract be-
8 tween the organization and the pro-
9 vider of services or supplier, 14 days;
10 and

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

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

16 “(i) has a complete data set, with re-
17 spect to the UB-04 or CMS 1500 form, as
18 applicable, (or successor to such applicable
19 form) for all entries identified as manda-
20 tory entries by the National Uniform Bill-
21 ing Committee; and

22 “(ii) in the case of a claim submitted
23 electronically, is completed in accordance
24 with the applicable standards and data ele-
25 ments adopted under section 1173(a).

1 “(C) REBUTTABLE PRESUMPTION FOR RE-
2 CEIPT OF CLAIM.—

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

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

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

20 “(ii) BUSINESS DAY DEFINED.—In
21 clause (i)(II), the term ‘business day’
22 means any day other than Saturday, Sun-
23 day, or a legal public holiday described in
24 section 6103 of title 5, United States
25 Code.

1 “(D) INTEREST APPLIED FOR CLEAN
2 CLAIMS NOT PROMPTLY PAID.—If payment for
3 such covered items or services is not issued,
4 mailed, or otherwise transmitted to the provider
5 of services or supplier for such claims that are
6 clean claims, in accordance with subparagraph
7 (A), by not later than the deadline for such
8 payment under such subparagraph, the MA or-
9 ganization shall pay the provider of services or
10 supplier interest at the rate used for purposes
11 of section 3902(a) of title 31, United States
12 Code (relating to interest penalties for failure to
13 make prompt payments) for the period begin-
14 ning on the day after such required payment
15 date and ending on the date on which payment
16 is made.”; and

17 (B) in subsection (g)—

18 (i) by redesignating paragraph (4) as
19 paragraph (5);

20 (ii) by inserting after paragraph (3)
21 the following new paragraph:

22 “(4) APPLICATION OF CIVIL MONEY PENALTIES
23 TO PROMPT PAY VIOLATIONS.—If the Secretary de-
24 termines that an MA organization with a contract
25 under this section is not in compliance with sub-

1 section (f)(1), the Secretary shall provide, in addi-
2 tion to any other remedies authorized by law, for
3 civil money penalties of not more than \$25,000 for
4 each such determination. In making a determination
5 under the previous sentence, the Secretary may take
6 into account information collected pursuant to sec-
7 tion 1851(d)(4)(D)(v).”; and

8 (iii) in paragraph (5), as redesignated
9 by clause (i), by striking “or (3)” and in-
10 serting “, (3), or (4)”.

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

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

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

20 (2) in clause (iv), by striking the period and in-
21 serting “, and”; and

22 (3) by adding at the end the following new
23 clause:

24 “(v) information regarding compliance
25 of the plan with the prompt payment re-

1 requirements under section 1857(f)(1), in-
2 cluding, with respect to the most recent
3 12-month period for which data are avail-
4 able—

5 “(I) the number and percent of
6 submitted claims for which payment
7 was made by the plan;

8 “(II) the number and percent of
9 submitted claims—

10 “(aa) that were for items or
11 services furnished by a provider
12 of services or supplier under a
13 contract between the organization
14 offering the plan and the pro-
15 vider of services or supplier; and

16 “(bb) that were for items or
17 services not furnished under such
18 a contract;

19 “(III) the number and percent of
20 submitted claims described in each of
21 items (aa) and (bb) of subclause (II)
22 for which payment was made by the
23 plan by the deadline required pursu-
24 ant to section 1857(f)(1)(A);

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

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