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(Original Signature of Member)

119TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To amend title XVIII of the Social Security Act to establish payment parity between Medicare Advantage and fee-for-service Medicare, and to establish prompt payment requirements under Medicare Advantage.

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IN THE HOUSE OF REPRESENTATIVES

Mr. DOGGETT introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend title XVIII of the Social Security Act to establish payment parity between Medicare Advantage and fee-for-service Medicare, and to establish prompt payment requirements under Medicare Advantage.

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 “Prompt and Fair Pay  
5 Act”.

1 **SEC. 2. ESTABLISHING PAYMENT PARITY BETWEEN MEDI-**  
2 **CARE ADVANTAGE AND FEE-FOR-SERVICE**  
3 **MEDICARE.**

4 Section 1857(e) of the Social Security Act (42 U.S.C.  
5 1395w-27(e)) is amended by adding at the end the fol-  
6 lowing new paragraph:

7 “(6) PAYMENT PARITY WITH FEE-FOR-SERVICE  
8 MEDICARE.—Beginning with plan years beginning  
9 on or after January 1, 2027, a contract under this  
10 part shall require an MA organization to provide, in  
11 any contract between the organization and a pro-  
12 vider or supplier, that payment for items and serv-  
13 ices furnished to an enrollee by such provider or  
14 supplier shall be in an amount that is not less than  
15 the amount of payment applicable on the date of  
16 service for such items and services under the original  
17 Medicare fee-for-service program under parts A and  
18 B, including cost-based payment methodologies.”.

19 **SEC. 3. PROTECTING BENEFICIARY ACCESS TO CARE**  
20 **UNDER MEDICARE ADVANTAGE BY ESTAB-**  
21 **LISHING ENFORCEABLE PROMPT PAYMENT**  
22 **REQUIREMENTS AND ENHANCING TRANS-**  
23 **PARENCY REGARDING CLAIMS DENIALS.**

24 (a) APPLYING PROMPT PAYMENT REQUIREMENTS  
25 FOR ITEMS AND SERVICES FURNISHED BY IN-NETWORK  
26 PROVIDERS.—

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

3                   (A) in paragraph (1), in the header, by in-  
4                   serting “APPLICABLE WITH RESPECT TO OUT-  
5                   OF-NETWORK PROVIDERS OF SERVICES AND  
6                   SUPPLIERS” after “REQUIREMENT”;

7                   (B) in paragraph (2), by striking “compli-  
8                   ance with paragraph (1)” and inserting “com-  
9                   pliance with paragraph (1) or (2 )”;

10                  (C) by redesignating paragraphs (2) and  
11                  (3) as paragraphs (3) and (4), respectively; and

12                  (D) by inserting after paragraph (1) the  
13                  following new paragraph:

14                  “(2) REQUIREMENT APPLICABLE WITH RE-  
15                  SPECT TO IN-NETWORK PROVIDERS OF SERVICES  
16                  AND SUPPLIERS.—

17                          “(A) PROMPT PAYMENT OF CLEAN  
18                          CLAIMS.—

19                                  “(i) IN GENERAL.—For contract years  
20                                  beginning on or after January 1, 2027, a  
21                                  contract entered into with an MA organi-  
22                                  zation with respect to offering an MA plan  
23                                  under this part shall require that contracts  
24                                  and other agreements between such MA  
25                                  organization and providers of services and

1 suppliers to furnish items and services to  
2 enrollees under such plan shall provide  
3 that payment shall, in accordance with the  
4 provisions of this paragraph, be issued,  
5 mailed, or otherwise transmitted, with re-  
6 spect to all clean claims submitted for such  
7 items and services furnished by such pro-  
8 viders of services and suppliers to such en-  
9 rollees, by not later than the applicable  
10 number of calendar days (as defined in  
11 clause (iii)) after the date on which the  
12 claim is received (as determined in accord-  
13 ance with clause (ii)).

14 “(ii) DATE OF RECEIPT OF CLAIM.—  
15 For purposes of this paragraph, a claim is  
16 considered to have been received—

17 “(I) with respect to claims sub-  
18 mitted electronically, on the date on  
19 which the claim is transferred; and

20 “(II) with respect to claims sub-  
21 mitted otherwise, on the 5th day after  
22 the postmark date of the claim or the  
23 date specified in the time stamp of  
24 transmission.

1                   “(iii) APPLICABLE NUMBER OF CAL-  
2                   ENDAR DAYS DEFINED.—For purposes of  
3                   this paragraph, the term ‘applicable num-  
4                   ber of calendar days’ means—

5                               “(I) with respect to claims sub-  
6                               mitted electronically, 14 days; and

7                               “(II) with respect to claims sub-  
8                               mitted otherwise, 30 days.

9                   “(B) PROCEDURES AND RULES FOR DE-  
10                   TERMINING WHETHER CLAIMS ARE CLEAN  
11                   CLAIMS.—

12                               “(i) CLEAN CLAIM DEFINED.—In this  
13                   paragraph, the term ‘clean claim’ means—

14                               “(I) a claim that has no defect or  
15                               impropriety (including any lack of any  
16                               required substantiating documenta-  
17                               tion) or particular circumstance re-  
18                               quiring special treatment that pre-  
19                               vents timely payment from being  
20                               made on the claim under this part;  
21                               and

22                               “(II) a claim that otherwise con-  
23                               forms to the clean claim requirements  
24                               for equivalent claims under original  
25                               Medicare.

1                   “(ii) CLAIM DEEMED TO BE CLEAN  
2                   WHEN TIMELY NOTICE OF ANY DEFICI-  
3                   CIENCY IS NOT PROVIDED.—For purposes  
4                   of this paragraph, with respect to an MA  
5                   organization and a provider of services or  
6                   supplier with whom the MA organization  
7                   has a contract to furnish items and serv-  
8                   ices, a claim for such items and services  
9                   furnished by such provider of services or  
10                  supplier under such contract shall be  
11                  deemed to be a clean claim if the MA orga-  
12                  nization does not provide notice to the pro-  
13                  vider of services or supplier of any defi-  
14                  ciency in the claim—

15                   “(I) with respect to claims sub-  
16                   mitted electronically, within 10 days  
17                   after the date on which the claim is  
18                   received; and

19                   “(II) with respect to claims sub-  
20                   mitted otherwise, within 15 days after  
21                   the date on which the claim is re-  
22                   ceived.

23                   “(iii) REQUIRED NOTIFICATIONS AND  
24                   TREATMENT OF CLAIMS INITIALLY DETER-  
25                   MINED TO NOT BE CLEAN CLAIMS.—For

1 purposes of this paragraph, with respect to  
2 an MA organization and a provider of serv-  
3 ices or supplier with whom the MA organi-  
4 zation has a contract to furnish items and  
5 services—

6 “(I) if the MA organization de-  
7 termines that a submitted claim for  
8 such items and services furnished by  
9 such provider of services or supplier  
10 under such contract is not a clean  
11 claim, the MA organization shall, not  
12 later than the end of the applicable  
13 period described in clause (ii), notify  
14 the provider of services or supplier of  
15 such determination and in such notifi-  
16 cation shall specify all defects or im-  
17 proprieties in the claim and shall list  
18 all additional information or docu-  
19 ments necessary for the proper proc-  
20 essing and payment of the claim, in-  
21 cluding detailed instructions for re-  
22 submission of claims, how to address  
23 each specified defect or impropriety,  
24 any formatting or coding guidance  
25 specific to the rejection reason, and

1                   how to contact the plan to obtain as-  
2                   sistance with resubmission; and

3                   “(II) in the case in which addi-  
4                   tional information is received pursu-  
5                   ant to a notification under subclause  
6                   (I) with respect to a claim described  
7                   in such subclause, the claim shall be  
8                   deemed to be a clean claim described  
9                   in clause (i) if the MA organization  
10                  does not provide notice to the provider  
11                  of service or supplier of any defect or  
12                  impropriety in the claim not later  
13                  than 10 days of the date on which  
14                  such additional information is re-  
15                  ceived.

16                  “(iv) RULE OF CONSTRUCTION.—A  
17                  determination under this paragraph that a  
18                  claim submitted by a provider of services  
19                  or supplier is a clean claim shall not be  
20                  construed as a positive determination re-  
21                  garding eligibility for payment under this  
22                  title, nor is it an indication of government  
23                  approval of, or acquiescence regarding, the  
24                  claim submitted. The determination shall  
25                  not relieve any party of civil or criminal li-

1 ability with respect to the claim, nor does  
2 it offer a defense to any administrative,  
3 civil, or criminal action with respect to the  
4 claim.

5 “(C) OBLIGATION TO PAY.—For purposes  
6 of this paragraph:

7 “(i) IN GENERAL.—A claim submitted  
8 to an MA organization that is not paid or  
9 contested by the organization within the  
10 applicable number of calendar days (as de-  
11 fined in subparagraph (A)(iii)) after the  
12 date on which the claim is received (as de-  
13 termined in accordance with subparagraph  
14 (A)(ii)) shall be deemed to be a clean claim  
15 and shall be paid by the MA organization  
16 in accordance with subparagraph (A)(i).

17 “(ii) ELECTRONIC TRANSFER OF  
18 FUNDS.—An MA organization shall pay all  
19 clean claims submitted electronically by  
20 electronic transfer of funds if the provider  
21 of services or supplier so requests or has so  
22 requested previously. In the case in which  
23 such payment is made electronically, remit-  
24 tance may be made by the MA organiza-  
25 tion electronically as well.

1 “(iii) DATE OF PAYMENT OF CLAIM.—

2 Payment of a clean claim under this para-  
3 graph shall be considered to have been  
4 made on the date on which—

5 “(I) with respect to claims paid  
6 electronically, the payment is trans-  
7 ferred; and

8 “(II) with respect to claims paid  
9 otherwise, the payment is submitted  
10 to the United States Postal Service or  
11 common carrier for delivery.

12 “(D) INTEREST PAYMENT.—

13 “(i) For purposes of this paragraph,  
14 subject to clause (ii), if payment is not  
15 issued, mailed, or otherwise transmitted  
16 within the applicable number of calendar  
17 days (as defined in subparagraph (A)(iii)  
18 after a clean claim (with respect to which  
19 this paragraph applies) is received, the MA  
20 organization shall pay interest to the pro-  
21 vider of services or supplier that submitted  
22 the claim at a rate equal to the weighted  
23 average of interest on 3-month marketable  
24 Treasury securities determined for such  
25 period, increased by 0.1 percentage point

1 for the period beginning on the day after  
2 the required payment date and ending on  
3 the date on which payment is made (as de-  
4 termined under subparagraph (C)(iii)). In-  
5 terest amounts paid under this subpara-  
6 graph shall not be counted against the ad-  
7 ministrative costs of an MA plan for pur-  
8 poses of determining the medical loss ratio  
9 of the plan under subsection (e)(4).

10 “(ii) AUTHORITY NOT TO CHARGE IN-  
11 TEREST.—The Secretary may provide that  
12 an MA organization is not charged interest  
13 under clause (i) in the case in which there  
14 are exigent circumstances, including nat-  
15 ural disasters and other unique and unex-  
16 pected events, that prevent the timely proc-  
17 essing of claims.

18 “(E) PROTECTING THE RIGHTS OF CLAIM-  
19 ANTS.—

20 “(i) IN GENERAL.—Nothing in this  
21 paragraph shall be construed to prohibit or  
22 limit a claim or action not covered by the  
23 subject matter of this paragraph that any  
24 individual or organization has against a

1 provider of services, supplier, or an MA or-  
2 ganization.

3 “(ii) ANTI-RETALIATION.—Consistent  
4 with applicable Federal and State laws, an  
5 MA organization shall not retaliate against  
6 an individual, provider of services, or sup-  
7 plier for exercising a right of action under  
8 this subparagraph.”.

9 (2) SECRETARIAL AUTHORITY TO ENFORCE  
10 PROMPT PAYMENT REQUIREMENT.—Section  
11 1857(g)(1) of the Social Security Act (42 U.S.C.  
12 1395w–27(g)(1)) is amended—

13 (A) in subparagraph (J), by striking at the  
14 end “or”;

15 (B) in subparagraph (K), by inserting “or”  
16 after the semicolon; and

17 (C) by inserting after subparagraph (K)  
18 the following new subparagraph:

19 “(L) fails to comply with the provisions of  
20 subsection (f)(2);”.