

119TH CONGRESS
2D SESSION

H. R. 9544

To amend title XVIII of the Social Security Act to ensure appropriate payments under Medicare Advantage, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 30, 2026

Mr. DOGGETT (for himself, Ms. ANSARI, Ms. BALINT, Mr. CASAR, Ms. CHU, Ms. CLARKE of New York, Mr. CLEAVER, Mr. COHEN, Mr. DAVIS of Illinois, Ms. DELAURO, Mr. DELUZIO, Mrs. DINGELL, Mr. GARAMENDI, Mr. GARCÍA of Illinois, Mr. GARCIA of California, Mrs. GRIJALVA, Mr. HUFFMAN, Mr. JACKSON of Illinois, Ms. JAYAPAL, Mr. JOHNSON of Georgia, Mr. KHANNA, Mr. MFUME, Mr. NADLER, Ms. NORTON, Ms. OCASIO-CORTEZ, Ms. OMAR, Ms. PINGREE, Mr. POCAN, Ms. RANDALL, Ms. SCHAKOWSKY, Mr. SCOTT of Virginia, Mr. SMITH of Washington, Mr. TAKANO, Mr. THANEDAR, Mr. THOMPSON of Mississippi, Ms. TLAIB, Ms. VELÁZQUEZ, Ms. WATERS, Mrs. WATSON COLEMAN, Mr. GREEN of Texas, Mr. CARSON, Mr. MCGOVERN, Ms. TOKUDA, and Mr. DESAULNIER) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, and Veterans' Affairs, 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 amend title XVIII of the Social Security Act to ensure appropriate payments under Medicare Advantage, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Saving Medicare En-
3 rollees from Deceptive Insurers and Creating Ample Re-
4 sources for Everyone Act of 2026” or the “Save MEDI-
5 CARE Act of 2026”.

6 **SEC. 2. RISK ADJUSTMENT.**

7 (a) RULEMAKING.—As part of the annual rulemaking
8 cycle for Medicare Advantage for payments applicable to
9 2028 and subsequent years, the Secretary of Health and
10 Human Services, in consultation with the Inspector Gen-
11 eral of the Department of Health and Human Services—

12 (1) shall include an analysis identifying diag-
13 nosis codes with a high rate of differential coding
14 between equivalent enrollees in Medicare Advantage
15 and Medicare beneficiaries not enrolled under a
16 Medicare Advantage plan, a high rate of discre-
17 tionary coding, or limited treatment implications;
18 and

19 (2) shall exclude or adjust diagnosis codes that
20 the Secretary determines are most likely to be sub-
21 ject to coding variation by Medicare Advantage
22 plans from diagnosis data submitted to the Sec-
23 retary for purposes of determining appropriate pay-
24 ment adjustments for health status.

25 (b) EXCLUSION OF DIAGNOSES COLLECTED FROM
26 CHART REVIEWS AND HEALTH RISK ASSESSMENTS.—

1 (1) MEDICARE ADVANTAGE PLANS.—Section
2 1853(a)(1)(C) of such Act (42 U.S.C. 1395w–
3 23(a)(1)(C)) is amended by adding at the end the
4 following new clause:

5 “(iv) EXCLUSION OF DIAGNOSES COL-
6 LECTED FROM CHART REVIEWS AND
7 HEALTH RISK ASSESSMENTS.—

8 “(I) IN GENERAL.—For 2028
9 and each subsequent year, for pur-
10 poses of establishing the payment ad-
11 justment factors and adjusting pay-
12 ment based on health status under
13 clause (i), the Secretary shall not take
14 into account a diagnosis collected
15 from a chart review or a health risk
16 assessment.

17 “(II) IDENTIFICATION OF DIAG-
18 NOSES COLLECTED FROM CHART RE-
19 VIEWS AND HEALTH RISK ASSESS-
20 MENTS.—The Secretary shall estab-
21 lish procedures to provide for the
22 identification and verification of diag-
23 noses collected from chart reviews and
24 health risk assessments.”.

(2) PRESCRIPTION DRUG PLANS.—Section 1860D–15(c)(1) of the Social Security Act (42 U.S.C. 1395w–115(c)(1)) is amended by adding at the end the following new subparagraph:

“(E) EXCLUSION OF DIAGNOSES COLLECTED FROM CHART REVIEWS AND HEALTH RISK ASSESSMENTS.—

“(i) IN GENERAL.—For 2028 and each subsequent year, for purposes of establishing the methodology and adjusting the standardized bid amount based on health status under subparagraph (A), the Secretary shall not take into account a diagnosis collected from a chart review or a health risk assessment.

“(ii) IDENTIFICATION OF DIAGNOSES COLLECTED FROM CHART REVIEWS AND HEALTH RISK ASSESSMENTS.—The Secretary shall establish procedures to provide for the identification and verification of diagnoses collected from chart reviews and health risk assessments.”.

(c) MEDPAC STUDY AND REPORT.—

(1) STUDY.—The Medicare Payment Advisory Commission shall conduct a study to determine how

1 results from a Consumer Assessment of Healthcare
2 Providers and Systems (CAHPS)-sized survey could
3 be extrapolated across all enrollees under a Medicare
4 Advantage contract for the purposes of calculating
5 risk adjusted payments. Such study shall include
6 recommendations on methodology, modifications to
7 the CAHPS survey questions, and CAHPS survey
8 sample size.

9 (2) REPORT.—Not later than 3 years after the
10 date of enactment of this Act, the Medicare Pay-
11 ment Advisory Commission shall submit to Congress
12 a report on the study conducted under paragraph
13 (1), together with recommendations for such legisla-
14 tion and administrative action as the Commission
15 determines appropriate.

16 **SEC. 3. QUALITY BONUS PROGRAM.**

17 Section 1853(o)(1) of the Social Security Act (42
18 U.S.C. 1395w-23(o)(1)) is amended, in the matter pre-
19 ceding subparagraph (A), by inserting “and ending with
20 2028,” after “2012”.

21 **SEC. 4. BENCHMARK PAYMENTS.**

22 (a) ELIMINATING THE COUNTY QUARTILE SYS-
23 TEM.—Section 1853(n)(2)(A) of the Social Security Act
24 (42 U.S.C. 1395w-23(n)(2)(A)) is amended—

1 (1) by redesignating clauses (i) and (ii) as sub-
2 clauses (I) and (II), respectively, and indenting ap-
3 propriately;

4 (2) by striking “is the product of” and insert-
5 ing “is—

6 “(i) for each of 2012 through 2027,
7 the product of”; and

8 (3) by adding at the end the following new
9 clause:

10 “(ii) for 2028 and each subsequent
11 year, is the base payment amount specified
12 in subparagraph (E) for the area and year
13 adjusted to take into account the phase-out
14 in the indirect costs of medical education
15 from capitation rates described in sub-
16 section (k)(4) and, for 2021 and subse-
17 quent years, the exclusion of payments for
18 organ acquisitions for kidney transplants
19 from the capitation rate as described in
20 subsection (k)(5).”.

21 (b) MODIFICATIONS TO BASE PAYMENT AMOUNT.—
22 Section 1853(n)(2) of the Social Security Act (42 U.S.C.
23 1395w–23(n)(2)) is amended—

(1) in subparagraph (E), by striking “subparagraphs (F) and (G)” and inserting “subparagraphs (F), (G), and (H)”; and

(2) by adding at the end the following new subparagraph:

“(H) ADJUSTMENT FOR FAVORABLE SELECTION.—For 2028 and each subsequent year:

“(i) IN GENERAL.—The base payment amount specified in subparagraph (E) for a year shall be adjusted to account for favorable selection between Medicare Advantage and the original Medicare fee-for-service program under parts A and B in accordance with this subparagraph.

“(ii) ANALYSIS.—

“(I) IN GENERAL.—In order to ensure the accuracy of the adjustment under clause (i), the Secretary shall annually conduct an analysis of any differences in selection between Medicare Advantage and the original Medicare fee-for-service program under parts A and B described in such subclause and publish the results of such analysis on the internet website of the

Centers for Medicare & Medicaid Services in plain language and in research-downloadable files. The Secretary shall conduct such analysis among subgroups of the Medicare population, including by at a minimum race, gender, zip code, income level, and health condition.

“(II) TIMING.—The Secretary shall complete such analysis by the date necessary to ensure that the results of such analysis are incorporated on a timely basis into the base payment amount for 2029 and subsequent years.

“(III) DATA.—In conducting such analysis, the Secretary shall use data submitted with respect to 2025 and subsequent years, as available and updated as appropriate.

“(iii) METHODOLOGY.—In calculating the adjustment under clause (i) for each year, the Secretary shall apply the Medicare Payment Advisory Commission’s method for estimating favorable selection

1 into Medicare Advantage as described in
2 its March 2026 report to Congress. Apply-
3 ing such method, the Secretary shall cal-
4 culate a ‘selection percentage’ to adjust for
5 favorable selection between Medicare Ad-
6 vantage and the original Medicare fee-for-
7 service program under parts A and B. The
8 selection percentage shall be calculated be-
9 fore the intervention of Medicare Advan-
10 tage plans as the ratio of expected spend-
11 ing for the national average Medicare Ad-
12 vantage beneficiary relative to expected
13 spending for the national average fee-for-
14 service beneficiary, after standardizing for
15 measured risk A value of 1 indicates no
16 difference in expected spending while val-
17 ues below 1 indicate lower expected spend-
18 ing in Medicare Advantage than in fee-for-
19 service Medicare for beneficiaries with the
20 same risk scores. The base payment
21 amount specified in subparagraph (E)
22 shall be multiplied by the selection percent-
23 age to yield a selection-adjusted base pay-
24 ment amount. The selection-adjusted base
25 payment amount shall replace the prior

base payment amount in all calculations of payment benchmarks for Medicare Advantage.

“(iv) MEDPAC REVIEW.—The Medicare Payment Advisory Commission shall conduct and publish a review of the analysis conducted under clause (ii) and any adjustments made under clause (i) based on such analysis not later than 2 years after implementation of this subparagraph and biennially thereafter.”.

SEC. 5. RISK ADJUSTMENT DATA VALIDATION.

(a) RISK ADJUSTMENT DATA VALIDATION REFORMS.—Section 1853(a)(1)(C) of the Social Security Act is amended by adding at the end the following new paragraph:

“(7) IMPROVING TIMELINESS OF RADV AUDITS AND APPEALS.—For plan years beginning on or after January 1, 2028, the following requirements shall apply with respect to the Medicare Advantage Risk Adjustment Data Validation Program:

“(A) CONTRACT-LEVEL AUDITS.—The Secretary shall complete contract-level audits within one year.

1 “(B) MEDICAL RECORD REVIEWS.—The
2 Secretary shall complete RADV medical record
3 reviews within 60 days.

4 “(C) DEADLINE FOR COMPLETION OF
5 STAGES 1 AND 2 OF APPEALS.—

6 “(i) STAGE 1.—The reconsideration
7 stage described in section 422.311(c)(6) of
8 title 42, Code of Federal Regulations (or a
9 successor regulation), shall be completed
10 within 90 days.

11 “(ii) STAGE 2.—The hearing stage de-
12 scribed in section 422.311(c)(7) of title 42,
13 Code of Federal Regulations (or a suc-
14 cessor regulation), shall be completed with-
15 in 90 days.

16 “(D) USER FEE.—The Secretary shall re-
17 duce the payments to Medicare Advantage or-
18 ganizations under section 1853 by 0.02 percent
19 for the purpose of carrying out Risk Adjust-
20 ment Data Validation audits.

21 “(E) LIMITATION ON REVIEW.—There
22 shall be no judicial review under section 1869,
23 section 1878, or otherwise of any determination
24 of the Administrator of the Centers for Medi-

1 care and Medicaid Services under the Risk Ad-
2 justment Data Validation audit program.

3 “(F) AUTHORITY TO EXTRAPOLATE.—The
4 Secretary may extrapolate the results of audited
5 samples to the general Medicare Advantage
6 population and retroactively, as the Secretary
7 determines appropriate.”.

8 (b) ENHANCING AUDIT PROCESS.—Section
9 1853(a)(1)(C) of the Social Security Act, as amended by
10 subsection (a), is amended by adding at the end the fol-
11 lowing new paragraph:

12 “(8) IDENTIFICATION AND RECOUPMENT OF
13 OVERPAYMENTS.—

14 “(A) IN GENERAL.—The Secretary shall
15 enter into contracts with one or more recovery
16 audit contractors under section 1893(h) for the
17 identification and recoupment of overpayments,
18 including penalties as defined under subpara-
19 graph (B), with respect to items and services
20 for which payment is made under this part.

21 “(B) PENALTY.—With respect to any over-
22 payment identified under subparagraph (A), the
23 Secretary shall provide for the imposition a
24 penalty in an amount equal to the total amount
25 of overpayment and the rate of interest as de-

1 fined under section 405.378(d) of title 42, Code
 2 of Federal Regulations (or a successor regula-
 3 tion).

4 “(C) CONTINGENCY FEES.—The Secretary
 5 may provide contingency fees to recovery audit
 6 contractors in an amount equal to no more than
 7 20 percent of recouped overpayments made by
 8 such contractor.”.

9 **SEC. 6. GUARD VETERANS HEALTH CARE ACT.**

10 (a) COST-RECOVERY FROM MEDICARE ADVANTAGE
 11 AND MEDICARE PRESCRIPTION DRUG PLANS.—

12 (1) COST RECOVERY.—

13 (A) IN GENERAL.—Subchapter III of chap-
 14 ter 17 of title 38, United States Code, is
 15 amended by inserting after section 1729B the
 16 following new section:

17 **“§ 1729C. Cost-recovery from Medicare Advantage**
 18 **and Medicare prescription drug plans**

19 “(a) IN GENERAL.—Notwithstanding sections
 20 1814(c), 1835(d), and 1862(a)(3) of the Social Security
 21 Act (42 U.S.C. 1395f(c), 1395n(d), and 1395y(a)(3)), if
 22 the Secretary provides under this chapter any health care
 23 item or service (including for a service-connected disability
 24 or a non-service-connected disability) covered under the
 25 Medicare program under title XVIII of the Social Security

1 Act (42 U.S.C. 1395 et seq.), including outpatient and
2 inpatient care, prescription drugs, medical devices, lab
3 testing, and items or services delivered in post-acute and
4 long-term care settings, to any individual who is enrolled
5 in a Medicare Advantage plan, including an MA–PD plan,
6 offered by a MA organization under part C of such title
7 or a prescription drug plan offered by a PDP sponsor
8 under part D of such title, such organization or sponsor
9 shall, to the extent such item or service is covered under
10 such Medicare Advantage plan or prescription drug plan,
11 reimburse the Secretary for such item or service regardless
12 of any additional documentation, utilization management,
13 or other administrative requirement the plan may impose
14 on the item or service.

15 “(b) RECOVERY OF AMOUNTS.—

16 “(1) IN GENERAL.—The Secretary shall recover
17 amounts required to be reimbursed under subsection
18 (a) through the use of procedures under section
19 1729 of this title to the same extent as those proce-
20 dures are used to recover amounts authorized to be
21 recovered under that section.

22 “(2) AMOUNT AND PROCESS.—Except as pro-
23 vided in paragraph (1), recovery under that para-
24 graph of amounts reimbursed under subsection (a)
25 shall be in such an amount, and occur in accordance

1 with such procedures, as the Secretary shall pre-
 2 scribe for purposes of this section.

3 “(c) APPLICATION.—The provisions of subsection (a)
 4 shall apply to Medicare Advantage and prescription drug
 5 plan years beginning on or after January 1, 2028.

6 “(d) TREATMENT OF AMOUNTS.—Amounts reim-
 7 bursed to the Secretary under subsection (a) shall be de-
 8 posited in the Department of Veterans Affairs Medical
 9 Care Collections Fund under section 1729A of this title.”.

10 (B) CLERICAL AMENDMENT.—The table of
 11 sections at the beginning of such chapter is
 12 amended by inserting after the item relating to
 13 section 1729B the following new item:

“1729C. Cost-recovery from Medicare Advantage and Medicare prescription
 drug plans.”.

14 (2) MEDICARE CONFORMING AMENDMENTS.—

15 (A) PART A.—Section 1814(c) of the So-
 16 cial Security Act (42 U.S.C. 1395f(c)) is
 17 amended by inserting “and section 1729C of
 18 title 38, United States Code” after “section
 19 1880”.

20 (B) PART B.—Section 1835(d) of the So-
 21 cial Security Act (42 U.S.C. 1395n(d)) is
 22 amended by inserting “and section 1729C of
 23 title 38, United States Code” after “section
 24 1880”.

1 (C) EXCLUSIONS FROM COVERAGE.—Sec-
2 tion 1862(a)(3) of the Social Security Act (42
3 U.S.C. 1395y(a)(3)) is amended by inserting
4 “in the case of items and services and prescrip-
5 tion drugs for which reimbursement is made
6 under section 1729C of title 38, United States
7 Code,” after “section 1880(e),”.

8 (b) MODIFICATION OF AUTHORITY FOR RECOVERY
9 BY UNITED STATES OF REASONABLE CHARGES FOR CER-
10 TAIN CARE OR SERVICES FURNISHED TO VETERANS FOR
11 NON-SERVICE-CONNECTED DISABILITIES.—Section 1729
12 of title 38, United States Code, is amended—

13 (1) in subsection (a)—

14 (A) by amending paragraph (1) to read as
15 follows:

16 “(1)(A) Subject to the provisions of this section, the
17 United States has the right to recover or collect the rea-
18 sonable charges for care or services that the United States
19 is required by law to furnish or pay for under this chapter
20 for a non-service-connected disability.

21 “(B) The United States has the right to recover or
22 collect from a third party the reasonable charges for care
23 or services furnished as described in subparagraph (A) to
24 the extent that the recipient or provider of the care or

1 services would be eligible to receive payment from a third
2 party.

3 “(C) The right to recover or collect reasonable
4 charges for care or services under this section shall apply
5 to any and all causes of action or recovery rights in tort
6 or under any policy, plan, or contract providing benefits
7 for health care or injury, which accrue to the individual
8 to whom the care or services were furnished, or to the
9 legal representatives of the individual, as a result of the
10 non-service-connected disability that necessitated the care
11 or services.”; and

12 (B) in paragraph (2)—

13 (i) in subparagraph (D), by striking
14 “; or” and inserting a semicolon;

15 (ii) in subparagraph (E)(2), by strik-
16 ing the period at the end and inserting “;
17 or”; and

18 (iii) by adding at the end the fol-
19 lowing new subparagraph:

20 “(F) that is incurred by an individual who is
21 entitled to care (or payment of expenses of care)
22 under circumstances creating a tort liability upon a
23 third party.”;

24 (2) in subsection (b), by amending paragraph
25 (2) to read as follows:

1 “(2)(A) The United States may take any action nec-
2 essary to enforce the subrogation interests of the United
3 States under this section, including by intervening or join-
4 ing in an action or proceeding.

5 “(B) A proceeding under this section may not be
6 brought after the end of the six-year period beginning on
7 the last day on which the care or services for which recov-
8 ery is sought are furnished. Notwithstanding the previous
9 sentence, subject to section 2415 of title 28, and except
10 as otherwise provided by law, any action for money dam-
11 ages under this section brought by the United States or
12 an officer or agency thereof that is founded upon a tort
13 shall be barred unless the complaint is filed within three
14 years after the right of action first accrues.”;

15 (3) in subsection (c)(1), by inserting “or pen-
16 alty” after “claim”;

17 (4) by redesignating subsections (h) and (i) as
18 subsections (l) and (m), respectively;

19 (5) by inserting after subsection (f) the fol-
20 lowing new subsections:

21 “(g)(1) Not later than 45 days after receipt of a
22 claim to recover or collect the reasonable charges for care
23 or services described in subsection (a), or in the case of
24 a tort, not later than 45 days after settlement, judgment,

1 award, liability determination, or resolution relating to the
2 cause of action, a third party shall—

3 “(A) pay a clean claim for reimbursement in ac-
4 cordance with this section;

5 “(B) pay the amount agreed to in writing by
6 the Department; or

7 “(C) provide notice of the date the third party
8 received the claim and include a statement that—

9 “(i) the third party refuses to reimburse
10 all or part of the claim and specify each reason
11 for the refusal to pay; or

12 “(ii) additional information is necessary to
13 determine if all or part of the claim will be re-
14 imbursed and what specific additional informa-
15 tion is necessary.

16 “(2) Paragraph (1) shall not apply to a claim if there
17 is a good faith dispute about the legitimacy of the claim.

18 “(3)(A) If any third party fails to comply with para-
19 graph (1), such third party shall be required to pay inter-
20 est to the United States at the rate established by the
21 Secretary of the Treasury under section 3717 of title 31
22 per month on the amount of the claim that remains un-
23 paid at the end of the 45-day period specified in such
24 paragraph.

1 “(B) The interest paid pursuant to subparagraph (A)
2 shall be included in any late reimbursement from a third
3 party without requiring the Secretary to make any addi-
4 tional claim for such interest.

5 “(4)(A) Upon receiving a request for additional infor-
6 mation by a third party pursuant to paragraph (1)(C)(ii),
7 the Secretary shall provide the additional information, if
8 determined relevant by the Secretary, not later than 45
9 days after receipt of the request for additional informa-
10 tion.

11 “(B) Failure to furnish relevant information within
12 the time required under subparagraph (A) shall not invali-
13 date or reduce any claim in connection with such informa-
14 tion.

15 “(C)(i) Not later than 15 days after receipt of addi-
16 tional relevant information under subparagraph (A), a
17 third party shall pay a clean claim in accordance with this
18 subsection or send a written or electronic notice that—

19 “(I) such third party refuses to reimburse all or
20 part of the claim; and

21 “(II) specifies each reason for refusal to pay.

22 “(ii) Any third party that fails to comply with clause
23 (i) shall pay interest to the United States on any amount
24 of the claim that remains unpaid at the rate established

1 by the Secretary of the Treasury under section 3717 of
2 title 31.

3 “(5) A third party shall not be entitled to request
4 a refund to correct a payment error to the Department
5 if the request by the third party for such payment correc-
6 tion is submitted more than 18 months after the date that
7 the Department received payment from the third party.

8 “(6) Any claim by the Department under this section
9 shall not be subject to non-Department claims processes,
10 policies, or forms.

11 “(h) The recovery rights of the United States under
12 this section are not limited to the amounts paid to non-
13 Department providers and are not subject to non-Depart-
14 ment fee schedules or non-Department reimbursement
15 rates, including those administered under workers’ com-
16 pensation plans or automobile accident reparations insur-
17 ance.

18 “(i)(1) A third party shall—

19 “(A) determine whether a recipient of care or
20 services covered by this section (including a recipient
21 whose claim is unresolved) has received benefits
22 under this chapter; and

23 “(B) submit the information described in para-
24 graph (2) with respect to the recipient to the Sec-

1 retary in a form and manner (including frequency)
2 specified by the Secretary.

3 “(2) The information required to be submitted under
4 this paragraph with respect to a recipient of care or serv-
5 ices is—

6 “(A) the identity of the recipient; and

7 “(B) such other information as the Secretary
8 shall specify in order to enable the Secretary to
9 make an appropriate determination concerning co-
10 ordination of benefits, including any applicable re-
11 covery claim.

12 “(3) A third party shall submit the information re-
13 quired under paragraph (1)(B) with respect to a recipient
14 of care or services covered by this section (including a re-
15 cipient whose claim is unresolved) not later than 30 days,
16 or such other time period as prescribed by the Secretary,
17 after the date on which the third party knows or has rea-
18 son to know that the recipient has received benefits under
19 this chapter.

20 “(4) A third party shall not distribute proceeds of
21 a settlement, judgment, award, or other payment in con-
22 nection with a recipient of care or services covered by this
23 section (including a recipient whose claim is unresolved),
24 regardless of whether there has been a determination or

1 admission of liability, without satisfaction of a claim by
2 the Department.

3 “(j)(1) A third party that fails to comply with the
4 requirements under this section, including any regulations
5 prescribed to implement this section, with respect to any
6 individual receiving care furnished or paid for by the De-
7 partment as described in this section, shall be subject to
8 a civil penalty in an amount published on a website of
9 the Department for each day of noncompliance with re-
10 spect to each claim violation. A civil penalty under this
11 paragraph shall be in addition to any other penalties pre-
12 scribed by law.

13 “(2)(A) A third party that willfully fails or refuses
14 to pay a clean claim under this section, including any reg-
15 ulations prescribed to implement this section, with respect
16 to any individual receiving care furnished or paid for by
17 the Department as described in this section, shall be sub-
18 ject to paying the higher of triple the amount of the claim
19 or an amount not to exceed \$50,000, which may be ad-
20 justed for inflation, for each claim violation.

21 “(B) A penalty under subparagraph (A) is in addition
22 to any other penalty under this subsection and any other
23 penalty prescribed by law.

24 “(C) Before enforcing any penalty under this para-
25 graph with respect to a third party, the Secretary shall

1 provide to the third party written notice of the amount
2 due and a 30-day opportunity to pay the clean claim, in-
3 cluding penalties, interests, and costs.

4 “(3) Notwithstanding any other applicable civil or
5 criminal remedies, the United States shall have a cause
6 of action for damages (which shall be in an amount double
7 the amount otherwise provided) in the case of a third
8 party that fails to provide payment, or appropriate reim-
9 bursement, for the reasonable value of the care or services
10 furnished, to be furnished, paid for, or to be paid for in
11 accordance with a clean claim.

12 “(k) Notwithstanding any other provision of law, the
13 Secretary may implement this paragraph by prescribing
14 regulations, program instructions, or otherwise.”; and

15 (6) in subsection (m), as redesignated by para-
16 graph (4)—

17 (A) in paragraph (3)—

18 (i) in subparagraph (C), by striking “;
19 or” and inserting a semicolon;

20 (ii) in subparagraph (D), by striking
21 the period at the end and inserting a semi-
22 colon; and

23 (iii) by adding at the end the fol-
24 lowing new subparagraphs:

1 “(E) a person or entity responsible in tort
2 for damages incurred as a result of negligence;
3 or

4 “(F) a person or entity responsible for
5 payment of medical expenses other than under
6 a health-plan contract, including medical ex-
7 penses coverage, medical payments coverage, or
8 underinsured motorist coverage.”; and

9 (B) by adding at the end the following new
10 paragraphs:

11 “(4) The term ‘clean claim’ means a claim to
12 recover or collect reasonable charges under sub-
13 section (a) that can be processed without obtaining
14 additional information.

15 “(5) The term ‘non-service-connected disability’
16 includes—

17 “(A) a non-service-connected disability, in-
18 jury, illness, health care need, or condition; and

19 “(B) an aggravation or exacerbation of a
20 service-connected disability.”.

21 (c) CONFORMING AMENDMENT.—Section
22 1853(c)(1)(D)(iii) of the Social Security Act (42 U.S.C.
23 1395w–23(c)(1)(D)(iii)) is amended by inserting “(before
24 2028)” after “for a year”.

1 **SEC. 7. ALLOWING STATES TO ENFORCE MEDICARE ADVAN-**
2 **TAGE PLAN REQUIREMENTS.**

3 Section 1856(b)(3) of the Social Security Act (42
4 U.S.C. 1395w-26(b)(3)) is amended—

5 (1) by striking “The standards” and inserting
6 the following:

7 “(A) IN GENERAL.—Subject to subpara-
8 graph (B), the standards”; and

9 (2) by adding at the end the following new sub-
10 paragraphs:

11 “(B) STATE ENFORCEMENT.—Each State
12 may require that MA organizations that issue,
13 sell, renew, or offer MA plans in the State meet
14 the requirements of this part with respect to
15 such MA plans.

16 “(C) COORDINATION OF ENFORCEMENT.—
17 The Secretary shall coordinate enforcement of
18 the standards established under this part with
19 the State in which an MA organization is li-
20 censed and any State in which the MA organi-
21 zation issues, sells, renews, or offers MA plans.
22 The Secretary may enter into a collaborative
23 enforcement agreement with any State to fur-
24 ther coordinate enforcement.”.

1 **SEC. 8. PROVIDER INCENTIVE CONTRACTS.**

2 Section 1857(e) of the Social Security Act (42 U.S.C.
3 1395w–27(e)) is amended by adding at the end the fol-
4 lowing new paragraph:

5 “(7) PROHIBITING PERCENTAGE OF PREMIUM
6 CONTRACTS OR OTHER FINANCIAL INCENTIVES FOR
7 CODING.—Beginning with plan years beginning on
8 or after January 1, 2028, a contract under this sec-
9 tion with an MA organization shall prohibit the use
10 of percentage of premium contracts or other finan-
11 cial incentives for providers related to coding items
12 and services furnished to enrollees under this part.”.

○