

115TH CONGRESS  
1ST SESSION

# H. R. 2419

To amend title 38, United States Code, to improve the process by which the Secretary of Veterans Affairs pays non-Department of Veterans Affairs health care providers for hospital care or medical services furnished to veterans pursuant to the laws administered by the Secretary.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2017

Mr. ROUZER introduced the following bill; which was referred to the  
Committee on Veterans' Affairs

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## A BILL

To amend title 38, United States Code, to improve the process by which the Secretary of Veterans Affairs pays non-Department of Veterans Affairs health care providers for hospital care or medical services furnished to veterans pursuant to the laws administered by the Secretary.

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. PAYMENT OF NON-DEPARTMENT OF VETERANS**

4 **AFFAIRS HEALTH CARE PROVIDERS.**

5 (a) PAYMENT OF PROVIDERS.—

1           (1) IN GENERAL.—Subchapter I of chapter 17  
2           of title 38, United States Code is amended by insert-  
3           ing after section 1703 the following new section:

4   **“§ 1703A. Payment of non-Department health care**  
5                                   **providers**

6           “(a) PROMPT PAYMENT COMPLIANCE.—The Sec-  
7           retary shall ensure that payments made to non-Depart-  
8           ment health care providers, including under the Veterans  
9           Choice Program established by section 101 of the Vet-  
10          erans Access, Choice, and Accountability Act of 2014  
11          (Public Law 113–146; 38 U.S.C. 1701 note), comply with  
12          chapter 39 of title 31 (commonly referred to as the  
13          ‘Prompt Payment Act’) and the requirements of this sec-  
14          tion. If there is a conflict between the requirements of the  
15          Prompt Payment Act and the requirements of this section,  
16          the Secretary shall comply with the requirements of this  
17          section.

18          “(b) PAYMENT SCHEDULE.—(1) The Secretary shall  
19          reimburse a non-Department health care provider for care  
20          or services furnished under the laws administered by the  
21          Secretary—

22                   “(A) in the case of a clean claim submitted to  
23                   the Secretary electronically, not later than 30 days  
24                   after receiving the claim; or

1           “(B) in the case of a clean claim submitted to  
2           the Secretary in a manner other than electronically,  
3           not later than 45 days after receiving the claim.

4           “(2)(A) If the Secretary determines that a claim re-  
5           ceived from a non-Department health care provider is a  
6           non-clean claim, the Secretary shall submit to the pro-  
7           vider, not later than 10 days after receiving the claim—

8           “(i) a notification that the claim is a non-clean  
9           claim;

10           “(ii) an explanation of why the claim has been  
11           determined to be a non-clean claim; and

12           “(iii) an identification of the information or  
13           documentation that is required to make the claim a  
14           clean claim.

15           “(B) If the Secretary does not comply with the re-  
16           quirements of subparagraph (A) with respect to a claim,  
17           the claim shall be deemed a clean claim for purposes of  
18           paragraph (1).

19           “(3) Upon receipt by the Secretary of information or  
20           documentation described in subparagraph (A)(iii) with re-  
21           spect to a claim, the Secretary shall reimburse a non-De-  
22           partment health care provider—

23           “(A) in the case of a claim submitted to the  
24           Secretary electronically, not later than 30 days after  
25           receiving such information or documentation; or

1           “(B) in the case of claim submitted to the Sec-  
2           retary in a manner other than electronically, not  
3           later than 45 days after receiving such information  
4           or documentation.

5           “(4) If the Secretary fails to comply with the dead-  
6           lines for payment set forth in this subsection with respect  
7           to a claim, interest shall accrue on the amount owed under  
8           such claim in accordance with section 3902 of title 31.

9           “(c) INFORMATION AND DOCUMENTATION RE-  
10          QUIRED.—(1) Pursuant to regulations prescribed by the  
11          Secretary, the Secretary shall provide to non-Department  
12          health care providers that furnish hospital care or medical  
13          services to veterans pursuant to the laws administered by  
14          the Secretary information and documentation that is re-  
15          quired to establish a clean claim under this section.

16          “(2) The Secretary shall consult with entities in the  
17          health care industry, in the public and private sector, to  
18          determine the information and documentation to include  
19          in the list under paragraph (1).

20          “(d) ELECTRONIC CLAIM SUBMITTAL.—On and after  
21          January 1, 2019, the Secretary shall not accept any claim  
22          under this section that is submitted to the Secretary in  
23          a manner other than electronically.

24          “(e) DEFINITIONS.—In this section:

1           “(1) The term ‘clean claim’ means a claim for  
2 reimbursement for hospital care or medical services  
3 furnished by non-Department health care providers  
4 to veterans pursuant to the laws administered by the  
5 Secretary, on a nationally recognized standard for-  
6 mat, that includes the information and documenta-  
7 tion necessary to adjudicate the claim.

8           “(2) The term ‘non-clean claim’ means a claim  
9 for reimbursement for hospital care or medical serv-  
10 ices furnished by non-Department health care pro-  
11 viders to veterans pursuant to the laws administered  
12 by the Secretary, on a nationally recognized stand-  
13 ard format, that does not include the information  
14 and documentation necessary to adjudicate the  
15 claim.”.

16           (2) CLERICAL AMENDMENT.—The table of sec-  
17 tions at the beginning of chapter 17 of such title is  
18 amended by inserting after the item related to sec-  
19 tion 1703 the following new item:

“1703A. Payment of non-Department health care providers.”.

20           (b) ELECTRONIC SUBMITTAL OF CLAIMS FOR REIM-  
21 BURSEMENT.—

22           (1) PROHIBITION ON ACCEPTANCE OF NON-  
23 ELECTRONIC CLAIMS.—

24           (A) IN GENERAL.—Except as provided in  
25 subparagraph (B), on and after January 1,

1           2019, the Secretary of Veterans Affairs shall  
2           not accept any claim for reimbursement under  
3           section 1703A of title 38, United States Code,  
4           as added by subsection (a), that is submitted to  
5           the Secretary in a manner other than electroni-  
6           cally, including medical records in connection  
7           with such a claim.

8           (B) EXCEPTION.—If the Secretary deter-  
9           mines that accepting claims and medical  
10          records in a manner other than electronically is  
11          necessary for the timely processing of claims for  
12          reimbursement under such section 1703A due  
13          to a failure or malfunction of the electronic  
14          interface established under paragraph (2), the  
15          Secretary—

16               (i) may accept claims and medical  
17               records in a manner other than electroni-  
18               cally for a period not to exceed 90 days;  
19               and

20               (ii) shall submit to the Committee on  
21               Veterans' Affairs of the Senate and the  
22               Committee on Veterans' Affairs of the  
23               House of Representatives a report setting  
24               forth—

1 (I) the reason for accepting  
2 claims and medical records in a man-  
3 ner other than electronically;

4 (II) the duration of time that the  
5 Department of Veterans Affairs will  
6 accept claims and medical records in a  
7 manner other than electronically; and

8 (III) the steps that the Depart-  
9 ment is taking to resolve such failure  
10 or malfunction.

11 (2) ELECTRONIC INTERFACE.—

12 (A) IN GENERAL.—Not later than January  
13 1, 2019, the Chief Information Officer of the  
14 Department of Veterans Affairs shall establish  
15 and make operational an electronic interface for  
16 health care providers to submit claims for reim-  
17 bursement under such section 1703A.

18 (B) FUNCTIONS.—The electronic interface  
19 established under subparagraph (A) shall in-  
20 clude the following functions:

21 (i) A function through which a health  
22 care provider may input all relevant data  
23 required for claims submittal and reim-  
24 bursement.

1 (ii) A function through which a health  
2 care provider may upload medical records  
3 to accompany a claim for reimbursement.

4 (iii) A function through which a  
5 health care provider may ascertain the sta-  
6 tus of a pending claim for reimbursement  
7 that—

8 (I) indicates whether the claim is  
9 a clean claim or a non-clean claim;  
10 and

11 (II) in the event that a submitted  
12 claim is indicated as a non-clean  
13 claim, provides—

14 (aa) an explanation of why  
15 the claim has been determined to  
16 be a non-clean claim; and

17 (bb) an identification of the  
18 information or documentation  
19 that is required to make the  
20 claim a clean claim.

21 (iv) A function through which a  
22 health care provider is notified when a  
23 claim for reimbursement is accepted or re-  
24 jected.



1 (v) Such other features as the Sec-  
2 retary considers necessary.

3 (C) PROTECTION OF INFORMATION.—

4 (i) IN GENERAL.—The electronic  
5 interface established under subparagraph  
6 (A) shall be developed and implemented  
7 based on industry-accepted information se-  
8 curity and privacy engineering principles  
9 and best practices and shall provide for the  
10 following:

11 (I) The elicitation, analysis, and  
12 prioritization of functional and non-  
13 functional information security and  
14 privacy requirements for such inter-  
15 face, including specific security and  
16 privacy services and architectural re-  
17 quirements relating to security and  
18 privacy based on a thorough analysis  
19 of all reasonably anticipated cyber and  
20 noneyber threats to the security and  
21 privacy of electronic protected health  
22 information made available through  
23 such interface.

24 (II) The elicitation, analysis, and  
25 prioritization of secure development

1 requirements relating to such inter-  
2 face.

3 (III) The assurance that the  
4 prioritized information security and  
5 privacy requirements of such inter-  
6 face—

7 (aa) are correctly imple-  
8 mented in the design and imple-  
9 mentation of such interface  
10 throughout the system develop-  
11 ment lifecycle; and

12 (bb) satisfy the information  
13 objectives of such interface relat-  
14 ing to security and privacy  
15 throughout the system develop-  
16 ment lifecycle.

17 (ii) DEFINITIONS.—In this subpara-  
18 graph:

19 (I) ELECTRONIC PROTECTED  
20 HEALTH INFORMATION.—The term  
21 “electronic protected health informa-  
22 tion” has the meaning given that term  
23 in section 160.103 of title 45, Code of  
24 Federal Regulations, as in effect on  
25 the date of the enactment of this Act.

1 (II) SECURE DEVELOPMENT RE-  
2 QUIREMENTS.—The term “secure de-  
3 velopment requirements” means, with  
4 respect to the electronic interface es-  
5 tablished under subparagraph (A), ac-  
6 tivities that are required to be com-  
7 pleted during the system development  
8 lifecycle of such interface, such as se-  
9 cure coding principles and test meth-  
10 odologies.

11 (3) ANALYSIS OF AVAILABLE TECHNOLOGY FOR  
12 ELECTRONIC INTERFACE.—

13 (A) IN GENERAL.—Not later than January  
14 1, 2018, or before entering into a contract to  
15 procure or design and build the electronic inter-  
16 face described in paragraph (2) or making a de-  
17 cision to internally design and build such elec-  
18 tronic interface, whichever occurs first, the Sec-  
19 retary shall—

20 (i) conduct an analysis of commer-  
21 cially available technology that may satisfy  
22 the requirements of such electronic inter-  
23 face set forth in such paragraph; and

24 (ii) submit to the Committee on Vet-  
25 erans’ Affairs of the Senate and the Com-

1           committee on Veterans' Affairs of the House  
2           of Representatives a report setting forth  
3           such analysis.

4           (B) ELEMENTS.—The report required  
5           under subparagraph (A)(ii) shall include the  
6           following:

7                   (i) An evaluation of commercially  
8                   available systems that may satisfy the re-  
9                   quirements of paragraph (2).

10                   (ii) The estimated cost of procuring a  
11                   commercially available system if a suitable  
12                   commercially available system exists.

13                   (iii) If no suitable commercially avail-  
14                   able system exists, an assessment of the  
15                   feasibility of modifying a commercially  
16                   available system to meet the requirements  
17                   of paragraph (2), including the estimated  
18                   cost associated with such modifications.

19                   (iv) If no suitable commercially avail-  
20                   able system exists and modifying a com-  
21                   mercially available system is not feasible,  
22                   an assessment of the estimated cost and  
23                   time that would be required to contract  
24                   with a commercial entity to design and

1 build an electronic interface that meets the  
2 requirements of paragraph (2).

3 (v) If the Secretary determines that  
4 the Department has the capabilities re-  
5 quired to design and build an electronic  
6 interface that meets the requirements of  
7 paragraph (2), an assessment of the esti-  
8 mated cost and time that would be re-  
9 quired to design and build such electronic  
10 interface.

11 (vi) A description of the decision of  
12 the Secretary regarding how the Depart-  
13 ment plans to establish the electronic inter-  
14 face required under paragraph (2) and the  
15 justification of the Secretary for such deci-  
16 sion.

17 (4) LIMITATION ON USE OF AMOUNTS.—The  
18 Secretary may not spend any amounts to procure or  
19 design and build the electronic interface described in  
20 paragraph (2) until the date that is 60 days after  
21 the date on which the Secretary submits the report  
22 required under paragraph (3)(A)(iii).

23 (c) CLARIFICATION OF APPLICATION OF HIPAA  
24 TRANSACTION STANDARDS TO VETERANS CHOICE PRO-  
25 GRAM AND OTHER VETERANS HEALTH CARE PROGRAMS

1 USING NON-DEPARTMENT PROVIDERS; ADDRESSING  
2 MULTI-YEAR BACKLOG IN CLAIMS.—

3 (1) APPLICATION OF HIPAA ADMINISTRATIVE  
4 SIMPLIFICATION STANDARDS.—

5 (A) IN GENERAL.—The definition of the  
6 term “health plan” under section 1171(5)(J) of  
7 the Social Security Act (42 U.S.C.  
8 1320d(5)(J)) is deemed to include the Veterans  
9 Choice Program.

10 (B) IMPLEMENTATION.—Not later than 90  
11 days after the date of the enactment of this  
12 Act, the Secretary of Veterans Affairs shall  
13 make such modifications as may be necessary to  
14 implement the amendment made by subpara-  
15 graph (A) with respect to claims for hospital  
16 care or medical treatment furnished under the  
17 Veterans Choice Program.

18 (2) ADDRESSING BACKLOG OF CLAIMS BY NON-  
19 DEPARTMENT PROVIDERS.—

20 (A) ADJUDICATION.—Not later than 180  
21 days after the date of the enactment of this sec-  
22 tion, the Secretary shall adjudicate all claims  
23 submitted before such date of enactment by  
24 non-Department of Veterans Affairs health care  
25 provider under the Veterans Choice Program.

1           (B) USE OF PAYMENT SCHEDULE FOR  
2           NON-DEPARTMENT HEALTH CARE PRO-  
3           VIDERS.—Section 1703A(b) of title 38, United  
4           States Code, as added by subsection (a)(1),  
5           shall apply to claims adjudicated pursuant to  
6           subparagraph (A), except that the timeframe  
7           involved shall begin on the date of such adju-  
8           dication.

9           (3) VETERANS CHOICE PROGRAM DEFINED.—In  
10          this subsection, the term “Veterans Choice Pro-  
11          gram” means hospital care or medical treatment  
12          furnished to veterans pursuant to section 101 of the  
13          Veterans Access, Choice, and Accountability Act of  
14          2014 (Public Law 113–146; 38 U.S.C. 1701 note)  
15          or any other law administered by the Secretary of  
16          Veterans Affairs under which a non-Department of  
17          Veterans Affairs health care provider furnishes such  
18          care or services.

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