

113TH CONGRESS
1ST SESSION

H. R. 2925

To amend title XI of the Social Security Act to expand the permissive exclusion from participation in Federal health care programs to individuals and entities affiliated with sanctioned entities.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 2013

Mr. BRADY of Texas (for himself, Mr. McDERMOTT, Mr. BUCHANAN, Mr. GERLACH, Mr. KIND, Mr. LEVIN, Mr. BLUMENAUER, Mr. LARSON of Connecticut, Mrs. BLACK, Mr. DOGGETT, Mr. KELLY of Pennsylvania, Mr. BOUSTANY, Mr. LEWIS, Mr. NUNES, Mr. GRIFFIN of Arkansas, Mr. SMITH of Nebraska, Mr. SCHOCK, Mr. REICHERT, Mr. SAM JOHNSON of Texas, Mr. REED, Mr. PAULSEN, Ms. JENKINS, Mr. RENACCI, Mr. LIPINSKI, and Mr. VAN HOLLEN) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, 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 XI of the Social Security Act to expand the permissive exclusion from participation in Federal health care programs to individuals and entities affiliated with sanctioned entities.

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 “Strengthening Medi-
3 care Anti-Fraud Measures Act of 2013”.

4 **SEC. 2. PERMISSIVE EXCLUSION FROM FEDERAL HEALTH**
5 **CARE PROGRAMS EXPANDED TO INDIVID-**
6 **UALS AND ENTITIES AFFILIATED WITH SANC-**
7 **TIONED ENTITIES.**

8 Section 1128(b)(15) of the Social Security Act (42
9 U.S.C. 1320a–7(b)(15)) is amended to read as follows:

10 “(15) INDIVIDUALS OR ENTITIES AFFILIATED
11 WITH A SANCTIONED ENTITY.—(A) Any of the fol-
12 lowing:

13 “(i) Any individual who—

14 “(I) is a person with an ownership or
15 control interest (as defined in section
16 1124(a)(3)) in a sanctioned entity or an
17 affiliated entity of such sanctioned entity
18 (or was a person with such an interest at
19 the time of any of the conduct that formed
20 a basis for the conviction or exclusion de-
21 scribed in subparagraph (B)); and

22 “(II) knows or should know (as de-
23 fined in section 1128A(i)(7)) (or knew or
24 should have known) of such conduct.

25 “(ii) Any individual who is an officer or
26 managing employee (as defined in section

1 1126(b)) of a sanctioned entity or affiliated en-
2 tity of such sanctioned entity (or was such an
3 officer or managing employee at the time of any
4 of the conduct that formed a basis for the con-
5 viction or exclusion described in subparagraph
6 (B)).

7 “(iii) Any affiliated entity of a sanctioned
8 entity.

9 “(B) For purposes of this paragraph, the term
10 ‘sanctioned entity’ means an entity—

11 “(i) that has been convicted of any offense
12 described in subsection (a) or in paragraph (1),
13 (2), or (3) of this subsection; or

14 “(ii) that has been excluded from partici-
15 pation under a program under title XVIII or
16 under a State health care program.

17 “(C)(i) For purposes of this paragraph, the
18 term ‘affiliated entity’ means, with respect to a
19 sanctioned entity—

20 “(I) an entity affiliated with such sanc-
21 tioned entity; and

22 “(II) an entity that was so affiliated at the
23 time of any of the conduct that formed the
24 basis for the conviction or exclusion described
25 in subparagraph (B).

1 “(ii) For purposes of clause (i), an entity
2 shall be treated as affiliated with another entity
3 if—

4 “(I) one of the entities is a person
5 with an ownership or control interest (as
6 defined in section 1124(a)(3)) in the other
7 entity (or had such an interest at the time
8 of any of the conduct that formed a basis
9 for the conviction or exclusion described in
10 subparagraph (B));

11 “(II) there is a person with an owner-
12 ship or control interest (as defined in sec-
13 tion 1124(a)(3)) in both entities (or had
14 such an interest at the time of any of the
15 conduct that formed a basis for the convic-
16 tion or exclusion described in subpara-
17 graph (B)); or

18 “(III) there is a person who is an offi-
19 cer or managing employee (as defined in
20 section 1126(b)) of both entities (or was
21 such an officer or managing employee at
22 the time of any of the conduct that formed
23 a basis for the conviction or exclusion de-
24 scribed in subparagraph (B)).”.

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