

111TH CONGRESS
1ST SESSION

H. R. 3369

To amend titles XVIII and XIX of the Social Security Act to require provider and supplier payments under Medicare and Medicaid to be made through direct deposit or electronic funds transfer (EFT) at insured depository institutions.

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2009

Mr. PATRICK J. MURPHY of Pennsylvania (for himself and Mr. ARCURI) 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 titles XVIII and XIX of the Social Security Act to require provider and supplier payments under Medicare and Medicaid to be made through direct deposit or electronic funds transfer (EFT) at insured depository institutions.

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 “IMPROVE Act”.

1 **SEC. 2. REQUIRING PROVIDER AND SUPPLIER PAYMENTS**
2 **UNDER MEDICARE AND MEDICAID TO BE**
3 **MADE THROUGH DIRECT DEPOSIT OR ELEC-**
4 **TRONIC FUNDS TRANSFER (EFT) AT INSURED**
5 **DEPOSITORY INSTITUTIONS.**

6 (a) **MEDICARE.**—Section 1874 of the Social Security
7 Act (42 U.S.C. 1395kk) is amended by adding at the end
8 the following new subsection:

9 “(e) **LIMITATION ON PAYMENT TO PROVIDERS OF**
10 **SERVICES AND SUPPLIERS.**—No payment shall be made
11 under this title for items and services furnished by a pro-
12 vider of services or supplier unless each payment to the
13 provider of services or supplier is in the form of direct
14 deposit or electronic funds transfer to the provider of serv-
15 ices’ or supplier’s account, as applicable, at a depository
16 institution (as defined in section 19(b)(1)(A) of the Fed-
17 eral Reserve Act (12 U.S.C. 461(b)(1)(A))).”.

18 (b) **MEDICAID.**—Section 1903(d) of such Act (42
19 U.S.C. 1396b(d)) is amended by adding at the end the
20 following new paragraph:

21 “(7) Payment shall be made to a State under sub-
22 section (a) for expenditures made by the State for pay-
23 ment for items and services furnished by a provider or
24 supplier of items or services under this title if each pay-
25 ment by the State to the provider or supplier is in the
26 form of direct deposit or electronic funds transfer to the

1 provider's or supplier's account, as applicable, at a deposi-
2 tory institution (as defined in section 19(b)(1)(A) of the
3 Federal Reserve Act (12 U.S.C. 461(b)(1)(A))).”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to each payment made to a pro-
6 vider of services, provider, or supplier on or after such
7 date (not later than 60 days after the date of the enact-
8 ment of this Act) as the Secretary of Health and Human
9 Services shall specify, regardless of when the items and
10 services for which such payment is made were furnished.

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