

116TH CONGRESS  
1ST SESSION

# H. R. 525

To amend title XI of the Social Security Act to direct the Secretary of Health and Human Services to establish a public-private partnership for purposes of identifying health care waste, fraud, and abuse.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 11, 2019

Mr. WALDEN (for himself, Mr. PALLONE, Mr. BRADY, and Mr. NEAL) 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

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## A BILL

To amend title XI of the Social Security Act to direct the Secretary of Health and Human Services to establish a public-private partnership for purposes of identifying health care waste, fraud, and abuse.

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 “Strengthening the  
5 Health Care Fraud Prevention Task Force Act of 2019”.

1 **SEC. 2. PUBLIC-PRIVATE PARTNERSHIP FOR HEALTH CARE**  
2 **WASTE, FRAUD, AND ABUSE DETECTION.**

3 (a) IN GENERAL.—Section 1128C(a) of the Social  
4 Security Act (42 U.S.C. 1320a–7c(a)) is amended by add-  
5 ing at the end the following new paragraph:

6 “(6) PUBLIC-PRIVATE PARTNERSHIP FOR  
7 WASTE, FRAUD, AND ABUSE DETECTION.—

8 “(A) IN GENERAL.—Under the program  
9 described in paragraph (1), there is established  
10 a public-private partnership (in this paragraph  
11 referred to as the ‘partnership’) of health plans,  
12 Federal and State agencies, law enforcement  
13 agencies, health care anti-fraud organizations,  
14 and any other entity determined appropriate by  
15 the Secretary (in this paragraph referred to as  
16 ‘partners’) for purposes of detecting and pre-  
17 venting health care waste, fraud, and abuse.

18 “(B) CONTRACT WITH TRUSTED THIRD  
19 PARTY.—In carrying out the partnership, the  
20 Secretary shall enter into a contract with a  
21 trusted third party for purposes of carrying out  
22 the duties of the partnership described in sub-  
23 paragraph (C).

24 “(C) DUTIES OF PARTNERSHIP.—The  
25 partnership shall—

1           “(i) provide technical and operational  
2 support to facilitate data sharing between  
3 partners in the partnership;

4           “(ii) analyze data so shared to iden-  
5 tify fraudulent and aberrant billing pat-  
6 terns;

7           “(iii) conduct aggregate analyses of  
8 health care data so shared across Federal,  
9 State, and private health plans for pur-  
10 poses of detecting fraud, waste, and abuse  
11 schemes;

12           “(iv) identify outlier trends and poten-  
13 tial vulnerabilities of partners in the part-  
14 nership with respect to such schemes;

15           “(v) refer specific cases of potential  
16 unlawful conduct to appropriate govern-  
17 mental entities;

18           “(vi) convene, not less than annually,  
19 meetings with partners in the partnership  
20 for purposes of providing updates on the  
21 partnership’s work and facilitating infor-  
22 mation sharing between the partners;

23           “(vii) enter into data sharing and  
24 data use agreements with partners in the  
25 partnership in such a manner so as to en-

1           sure the partnership has access to data  
2           necessary to identify waste, fraud, and  
3           abuse while maintaining the confidentiality  
4           and integrity of such data;

5           “(viii) provide partners in the partner-  
6           ship with plan-specific, confidential feed-  
7           back on any aberrant billing patterns or  
8           potential fraud identified by the partner-  
9           ship with respect to such partner;

10          “(ix) establish a process by which en-  
11          tities described in subparagraph (A) may  
12          enter the partnership and requirements  
13          such entities must meet to enter the part-  
14          nership;

15          “(x) provide appropriate training, out-  
16          reach, and education to partners based on  
17          the results of data analyses described in  
18          clauses (ii) and (iii); and

19          “(xi) perform such other duties as the  
20          Secretary determines appropriate.

21          “(D) SUBSTANCE USE DISORDER TREAT-  
22          MENT ANALYSIS.—Not later than 2 years after  
23          the date of the enactment of the Strengthening  
24          the Health Care Fraud Prevention Task Force  
25          Act of 2019, the trusted third party with a con-

1           tract in effect under subparagraph (B) shall  
2           perform an analysis of aberrant or fraudulent  
3           billing patterns and trends with respect to pro-  
4           viders and suppliers of substance use disorder  
5           treatments from data shared with the partner-  
6           ship.

7           “(E) EXECUTIVE BOARD.—

8                   “(i) EXECUTIVE BOARD COMPOSI-  
9                   TION.—

10                           “(I) IN GENERAL.—There shall  
11                           be an executive board of the partner-  
12                           ship comprised of representatives of  
13                           the Federal Government and rep-  
14                           resentatives of the private sector se-  
15                           lected by the Secretary.

16                           “(II) CHAIRS.—The executive  
17                           board shall be co-chaired by one Fed-  
18                           eral Government official and one rep-  
19                           resentative from the private sector.

20                           “(ii) MEETINGS.—The executive  
21                           board of the partnership shall meet at  
22                           least once per year.

23                           “(iii) EXECUTIVE BOARD DUTIES.—  
24                           The duties of the executive board shall in-  
25                           clude the following:

1                   “(I) Providing strategic direction  
2                   for the partnership, including mem-  
3                   bership criteria and a mission state-  
4                   ment.

5                   “(II) Communicating with the  
6                   leadership of the Department of  
7                   Health and Human Services and the  
8                   Department of Justice and the var-  
9                   ious private health sector associations.

10                   “(F) REPORTS.—Not later than September  
11                   30, 2021, and every 2 years thereafter, the Sec-  
12                   retary shall submit to Congress and make avail-  
13                   able on the public website of the Centers for  
14                   Medicare & Medicaid Services a report con-  
15                   taining—

16                   “(i) a review of activities conducted by  
17                   the partnership over the 2-year period end-  
18                   ing on the date of the submission of such  
19                   report, including any progress to any ob-  
20                   jectives established by the partnership;

21                   “(ii) any savings voluntarily reported  
22                   by health plans participating in the part-  
23                   nership attributable to the partnership  
24                   during such period;

1           “(iii) any savings to the Federal Gov-  
2           ernment attributable to the partnership  
3           during such period;

4           “(iv) any other outcomes attributable  
5           to the partnership, as determined by the  
6           Secretary, during such period; and

7           “(v) a strategic plan for the 2-year  
8           period beginning on the day after the date  
9           of the submission of such report, including  
10          a description of any emerging fraud and  
11          abuse schemes, trends, or practices that  
12          the partnership intends to study during  
13          such period.

14          “(G) FUNDING.—The partnership shall be  
15          funded by amounts otherwise made available to  
16          the Secretary for carrying out the program de-  
17          scribed in paragraph (1).

18          “(H) TRANSITIONAL PROVISIONS.—To the  
19          extent consistent with this subsection, all func-  
20          tions, personnel, assets, liabilities, and adminis-  
21          trative actions applicable on the date before the  
22          date of the enactment of this paragraph to the  
23          National Fraud Prevention Partnership estab-  
24          lished on September 17, 2012, by charter of the  
25          Secretary shall be transferred to the partner-

1 ship established under subparagraph (A) as of  
2 the date of the enactment of this paragraph.

3 “(I) NONAPPLICABILITY OF FACA.—The  
4 provisions of the Federal Advisory Committee  
5 Act shall not apply to the partnership estab-  
6 lished by subparagraph (A).

7 “(J) IMPLEMENTATION.—Notwithstanding  
8 any other provision of law, the Secretary may  
9 implement the partnership established by sub-  
10 paragraph (A) by program instruction or other-  
11 wise.

12 “(K) DEFINITION.—For purposes of this  
13 paragraph, the term ‘trusted third party’ means  
14 an entity that—

15 “(i) demonstrates the capability to  
16 carry out the duties of the partnership de-  
17 scribed in subparagraph (C);

18 “(ii) complies with such conflict of in-  
19 terest standards determined appropriate by  
20 the Secretary; and

21 “(iii) meets such other requirements  
22 as the Secretary may prescribe.”.

23 (b) POTENTIAL EXPANSION OF PUBLIC-PRIVATE  
24 PARTNERSHIP ANALYSES.—Not later than 2 years after  
25 the date of the enactment of this Act, the Secretary of

1 Health and Human Services shall conduct a study and  
2 submit to Congress a report on the feasibility of the part-  
3 nership (as described in section 1128C(a)(6) of the Social  
4 Security Act, as added by subsection (a)) establishing a  
5 system to conduct real-time data analysis to proactively  
6 identify ongoing as well as emergent fraud trends for the  
7 entities participating in the partnership and provide such  
8 entities with real-time feedback on potentially fraudulent  
9 claims. Such report shall include the estimated cost of and  
10 any potential barriers to the partnership establishing such  
11 a system.

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