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Murphy's SMART Act Passes E & C Health Subcommittee

September 11, 2012

Washington, D.C. — Congressman Tim Murphy (PA-18) today applauded the passage of his bipartisan Strengthening Medicare And Repaying Taxpayers (SMART) Act by the House Energy and Commerce Subcommittee on Health. Murphy, who serves on the Subcommittee on Health, introduced the legislation in 2011 as part of his legislative agenda to strengthen and save Medicare.

Under the 'Medicare Secondary Payer' statute, insurers, retailers, and third parties must repay Medicare if their negligence leads to medical bills for a senior citizen. But the current system is complicated and riddled with bureaucratic delays, preventing these cases from closing and bringing in money owed to the Medicare Trust Fund.

The SMART Act requires Medicare provide the parties with accurate information about the total cost of medical bills when the parties announce a settlement is near. Without coming to a settlement, Medicare cannot recoup the money and beneficiaries are often left footing the bill. The SMART Act breaks down the bureaucratic hurdles that prevent Medicare and private insurers from closing out medical billing cases in a timely manner. Industry experts have suggested that Murphy's bill could collect between \$1 billion and \$4 billion annually, while saving the Medicare agency countless hours of staff work pursuing claims of little or no value.

"Hundreds of millions of dollars that should be deposited in the Medicare Trust Fund continue to be blocked by a complicated system of arcane rules," said Rep. Murphy. *"My bipartisan Strengthening Medicare And Repaying Taxpayers Act eliminates the unnecessary barriers preventing senior citizens from collecting legal settlements. By recouping the billions of dollars owed by insurance companies to Medicare, my bill strengthens the Medicare Trust Fund and protects medical benefits for millions of seniors."*

Energy & Commerce Committee Chairman Fred Upton said, *"The Strengthening Medicare and Repaying Taxpayers Act, or SMART Act, introduced by Dr. Murphy creates efficiencies in the Medicare Secondary Payer program that benefit taxpayers and seniors alike. During last year's hearing, several flaws in the program were identified that resulted in seniors losing Medicare coverage and settlements ending up in escrow. H.R. 1063 makes improvements to the current program that will facilitate speedier settlements as well as repayment to the Medicare Trust Fund."*

Murphy's bill was the focus of an Energy and Commerce Committee Subcommittee on Oversight and Investigations Hearing last June. At the hearing, members learned the impact that extremely long delays have on the financial stability of Medicare and on beneficiaries who are owed settlements due to medical malpractice, liability or workers compensation. Testimony from expert witnesses revealed from those who have experienced first-hand the problems that arise with extensive delays in the system, including a compelling argument from Pittsburgh attorney Jason Matzus, who represents Medicare beneficiaries. To read more about the hearing, click [here](#).

The SMART Act now heads to the full Committee on Energy & Commerce for a vote before floor consideration in the House.