

119TH CONGRESS
1ST SESSION

H. R. 6863

To amend title XVIII of the Social Security Act to improve transparency with respect to the suspension of Medicare payments pending an investigation into a credible allegation of fraud.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 2025

Mr. HARDER of California (for himself and Mrs. KIM) 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 XVIII of the Social Security Act to improve transparency with respect to the suspension of Medicare payments pending an investigation into a credible allegation of fraud.

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 “Centers for Medicare
5 & Medicaid Services Auditor Transparency Act of 2025”
6 or the “CAT Act of 2025”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) In 2020, 139,000,000 individuals received
4 health care coverage through the Medicare or Med-
5 icaid programs, costing the Federal Government ap-
6 proximately \$1,500,000,000,000. Of these funds
7 paid by United States taxpayers, \$3,100,000,000
8 were discovered to have been fraudulent claims.

9 (2) Ensuring the integrity of the Medicare and
10 Medicaid programs is crucial to preventing fraud,
11 waste, and abuse and safeguarding the financial sus-
12 tainability of these important programs.

13 (3) Even though the Centers for Medicare &
14 Medicaid Services (CMS) utilization of Unified Pro-
15 gram Integrity Contractors (UPICs) has shown to
16 be effective at identifying bad actors defrauding the
17 Federal Government through the Medicare and Med-
18 icaid programs, current Federal law and regulations
19 have shown to be harmful to most providers who are
20 submitting Medicare and Medicaid claims in good
21 faith.

22 (4) Existing law provides CMS and UPICs
23 broad authority and discretion to suspend Medicare
24 payments for up to a year pending the investigation
25 of “credible allegations of fraud”.

1 (5) However, current law does not require ade-
2 quate transparency from CMS or UPICs into the
3 nature of the alleged fraud before Medicare pay-
4 ments are suspended. Current law also does not re-
5 quire CMS or UPICs to provide adequate due proc-
6 ess to providers whose payments have been sus-
7 pended to challenge or cure the allegations of fraud
8 prior to the suspension of Medicare payments.

9 (6) In addition, anecdotal reports have shown
10 that some UPICs extend the suspension of Medicare
11 payments on a routine basis so that they may have
12 additional time to finish their audit despite not pro-
13 viding evidence that the continuation of a payment
14 suspension is necessary to protect the integrity of
15 the Medicare program.

16 (7) The broad authority to suspend Medicare
17 payments pending the investigation of a credible al-
18 legation of fraud without adequate due process or
19 transparency places the financial viability of many
20 Medicare providers acting in good faith at risk.

21 (8) If Medicare providers acting in good faith
22 close their doors as a result of the unnecessary sus-
23 pension of payments by CMS or UPICs, Medicare
24 beneficiaries and the American public could face ad-
25 ditional barriers to access to necessary health care

1 services as a direct result of unfair Federal law and
2 regulations.

3 **SEC. 3. IMPROVING TRANSPARENCY IN SUSPENSION OF**
4 **PAYMENTS PENDING INVESTIGATION OF**
5 **CREDIBLE ALLEGATIONS OF FRAUD UNDER**
6 **MEDICARE.**

7 (a) IN GENERAL.—Section 1862(o) of the Social Se-
8 curity Act (42 U.S.C. 1395y(o)) is amended—

9 (1) in paragraph (1)—

10 (A) by striking “The Secretary may sus-
11 pend” and inserting “Subject to paragraph (5),
12 the Secretary may suspend”; and

13 (B) by inserting “An investigation of a
14 credible allegation of fraud, and the suspension
15 of payment pending such investigation under
16 the preceding sentence, may only exceed 180
17 days if the Secretary determines there is good
18 cause to extend such investigation and suspen-
19 sion.” at the end;

20 (2) in paragraph (4)—

21 (A) by striking “a fraud hotline tip (as de-
22 fined by the Secretary)” and inserting “the fol-
23 lowing items”; and

1 (B) by striking “credible allegation of
2 fraud.” and inserting “credible allegation of
3 fraud:

4 “(A) A fraud hotline tip (as defined by the
5 Secretary).

6 “(B) Mere error (as defined by the Sec-
7 retary).

8 “(C) A billing error found during the
9 course of an audit that is attributable to human
10 error.”.

11 (3) by adding at the end the following new
12 paragraphs:

13 “(5) TRANSPARENCY IN SUSPENSION OF PAY-
14 MENTS.—

15 “(A) IN GENERAL.—The Secretary may
16 only suspend payments to a provider of services
17 or supplier under this title pursuant to para-
18 graph (1) if—

19 “(i) subject to subparagraph (B), not
20 later than 30 days before the date on
21 which the payment suspension begins, the
22 Secretary provides such provider of serv-
23 ices or supplier with information about
24 each credible allegation of fraud that is the

1 basis for the payment suspension, includ-
2 ing—

3 “(I) the specific nature of each
4 credible allegation of fraud;

5 “(II) the date of the alleged
6 fraud; and

7 “(III) the basis of the credible al-
8 legation of fraud, such as whether the
9 allegation is based upon—

10 “(aa) a fraud hotline com-
11 plaint;

12 “(bb) data mining of data
13 with respect to claims for pay-
14 ment under this title, title XIX,
15 or title XXI; or

16 “(cc) a pattern identified
17 through audits of providers of
18 services or suppliers; and

19 “(ii) not less frequently than once
20 every 30 days during such payment sus-
21 pension, the Secretary provides such pro-
22 vider of services or supplier with—

23 “(I) a detailed, up-to-date list of
24 the findings of the investigation;

1 “(II) an anticipated timeline for
2 the completion of the investigation;
3 and

4 “(III) an opportunity to ask the
5 Centers for Medicare & Medicaid
6 Services questions regarding the pay-
7 ment suspension and the investiga-
8 tion.

9 “(B) EXCEPTION.—The Secretary may
10 elect not to provide a provider of services or
11 supplier with the information described in sub-
12 paragraph (A)(i) if the provision of such infor-
13 mation would compromise the integrity of the
14 investigation, as determined by the Secretary in
15 consultation with the Inspector General of the
16 Department of Health and Human Services and
17 State auditors (as appropriate).

18 “(C) FAILURE TO PROVIDE INFORMA-
19 TION.—If the requirements described in sub-
20 paragraph (A) are not met with respect to the
21 suspension of payment to a provider of services
22 or a supplier under this title, the Secretary
23 shall immediately resume such payment, and
24 shall pay to the provider of services or supplier
25 the amounts not paid due to such suspension

1 and any interest accrued with respect to such
2 amounts.

3 “(D) ANNUAL REPORT.—Not later than
4 180 days after the end of each fiscal year (be-
5 ginning with fiscal year 2025), the Secretary
6 shall submit to Congress a report that includes
7 the following information with respect to such
8 fiscal year:

9 “(i) The number of payment suspen-
10 sions issued as the result of a pending in-
11 vestigation of a credible allegation of fraud
12 under this subsection, section 1860D–
13 12(b)(7) (including as applied pursuant to
14 section 1857(f)(3)(D)), or section
15 1903(i)(2)(C).

16 “(ii) The basis of each such credible
17 allegation of fraud.

18 “(iii) The average duration of a pay-
19 ment suspension described in clause (i).

20 “(iv) The average duration of an in-
21 vestigation of a credible allegation of fraud
22 described in clause (i).

23 “(v) If applicable, the average time
24 between the completion of an investigation
25 into a credible allegation of fraud described

1 in clause (i) and the reinstatement of pay-
2 ments to the relevant provider of services
3 or supplier.

4 “(6) APPEALS.—Not later than 180 days after
5 the date of the enactment of the CAT Act of 2025,
6 the Secretary shall provide an independent process
7 by which a provider of services or supplier under
8 this title that has received notice of a payment sus-
9 pension due to a pending investigation of a credible
10 allegation of fraud pursuant to this subsection may
11 appeal such suspension and receive a resolution of
12 such appeal in a timely manner.”.

13 (b) STAKEHOLDER CONSULTATION.—In developing
14 the appeals process required under section 1862(o)(6) of
15 the Social Security Act, as added by subsection (a), the
16 Secretary of Health and Human Services shall consult
17 with relevant stakeholders, including providers of services
18 and suppliers under title XVIII of the Social Security Act
19 (42 U.S.C. 1395 et seq.), title XIX of such Act (42 U.S.C.
20 1396 et seq.), and title XXI of such Act (42 U.S.C.
21 1397aa et seq.), as determined appropriate by the Sec-
22 retary.

23 (c) APPLICABILITY.—The amendments made by this
24 section shall apply with respect to any investigation of a
25 credible allegation of fraud under section 1862(o) of the

1 Social Security Act (42 U.S.C. 1395y(o)), section 1860D–
2 12(b)(7) of such Act (42 U.S.C. 1395w–112(b)(7)) (in-
3 cluding as applied pursuant to section 1857(f)(3)(D) of
4 such Act (42 U.S.C. 1395w–27(f)(3)(D))), or section
5 1903(i)(2)(C) of such Act (42 U.S.C. 1396b(i)(2)(C)) that
6 is initiated after the date of enactment of this Act.

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