

106TH CONGRESS  
1ST SESSION

# S. 256

To amend title XVIII of the Social Security Act to promote the use of universal product numbers on claims forms submitted for reimbursement under the medicare program.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 20, 1999

Mr. GRASSLEY (for himself, Mr. BREAUX, and Mr. CONRAD) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to promote the use of universal product numbers on claims forms submitted for reimbursement under the medicare program.

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 “Medicare Universal  
5 Product Number Act of 1999”.

1 **SEC. 2. UNIVERSAL PRODUCT NUMBERS ON CLAIMS FORMS**  
 2 **FOR REIMBURSEMENT UNDER THE MEDI-**  
 3 **CARE PROGRAM.**

4 (a) ACCOMMODATION OF UPNS ON MEDICARE  
 5 CLAIMS FORMS.—Not later than February 1, 2001, all  
 6 claims forms developed or used by the Secretary of Health  
 7 and Human Services for reimbursement under the medi-  
 8 care program under title XVIII of the Social Security Act  
 9 (42 U.S.C. 1395 et seq.) shall accommodate the use of  
 10 universal product numbers for a UPN covered item.

11 (b) REQUIREMENT FOR PAYMENT OF CLAIMS.—Title  
 12 XVIII of the Social Security Act (42 U.S.C. 1395 et seq.)  
 13 is amended by adding at the end the following:

14 “USE OF UNIVERSAL PRODUCT NUMBERS

15 “SEC. 1897. (a) IN GENERAL.—No payment shall be  
 16 made under this title for any claim for reimbursement for  
 17 any UPN covered item unless the claim contains the uni-  
 18 versal product number of the UPN covered item.

19 “(b) DEFINITIONS.—In this section:

20 “(1) UPN COVERED ITEM.—

21 “(A) IN GENERAL.—Except as provided in  
 22 subparagraph (B), the term ‘UPN covered  
 23 item’ means—

24 “(i) a covered item as that term is de-  
 25 fined in section 1834(a)(13);

1 “(ii) an item described in paragraph  
2 (8) or (9) of section 1861(s);

3 “(iii) an item described in paragraph  
4 (5) of section 1861(s); and

5 “(iv) any other item for which pay-  
6 ment is made under this title that the Sec-  
7 retary determines to be appropriate.

8 “(B) EXCLUSION.—The term ‘UPN cov-  
9 ered item’ does not include a customized item  
10 for which payment is made under this title.

11 “(2) UNIVERSAL PRODUCT NUMBER.—The  
12 term ‘universal product number’ means a number  
13 that is—

14 “(A) affixed by the manufacturer to each  
15 individual UPN covered item that uniquely  
16 identifies the item at each packaging level; and

17 “(B) based on commercially acceptable  
18 identification standards such as, but not limited  
19 to, standards established by the Uniform Code  
20 Council–International Article Numbering Sys-  
21 tem or the Health Industry Business Commu-  
22 nication Council.”.

23 (c) DEVELOPMENT AND IMPLEMENTATION OF PRO-  
24 CEDURES.—

1           (1) INFORMATION INCLUDED IN UPN.—The  
2       Secretary of Health and Human Services, in con-  
3       sultation with manufacturers and entities with ap-  
4       propriate expertise, shall determine the relevant de-  
5       scriptive information appropriate for inclusion in a  
6       universal product number for a UPN covered item.

7           (2) REVIEW OF PROCEDURE.—From the infor-  
8       mation obtained by the use of universal product  
9       numbers on claims for reimbursement under the  
10      medicare program, the Secretary of Health and  
11      Human Services, in consultation with interested par-  
12      ties, shall periodically review the UPN covered items  
13      billed under the Health Care Financing Administra-  
14      tion Common Procedure Coding System and adjust  
15      such coding system to ensure that functionally  
16      equivalent UPN covered items are billed and reim-  
17      bursed under the same codes.

18      (d) EFFECTIVE DATE.—The amendment made by  
19      subsection (b) shall apply to claims for reimbursement  
20      submitted on and after February 1, 2002.

21   **SEC. 3. STUDY AND REPORTS TO CONGRESS.**

22      (a) STUDY.—The Secretary of Health and Human  
23      Services shall conduct a study on the results of the imple-  
24      mentation of the provisions in subsections (a) and (c) of

1 section 2 and the amendment to the Social Security Act  
2 in subsection (b) of that section.

3 (b) REPORTS.—

4 (1) PROGRESS REPORT.—Not later than 6  
5 months after the date of enactment of this Act, the  
6 Secretary of Health and Human Services shall sub-  
7 mit a report to Congress that contains a detailed de-  
8 scription of the progress of the matters studied pur-  
9 suant to subsection (a).

10 (2) IMPLEMENTATION.—Not later than 18  
11 months after the date of enactment of this Act, and  
12 annually thereafter for 3 years, the Secretary of  
13 Health and Human Services shall submit a report to  
14 Congress that contains a detailed description of the  
15 results of the study conducted pursuant to sub-  
16 section (a), together with the Secretary’s rec-  
17 ommendations regarding the use of universal prod-  
18 uct numbers and the use of data obtained from the  
19 use of such numbers.

20 **SEC. 4. DEFINITIONS.**

21 In this Act:

22 (1) UPN COVERED ITEM.—The term “UPN  
23 covered item” has the meaning given such term in  
24 section 1897(b)(1) of the Social Security Act (as  
25 added by section 2(b)).

1           (2) UNIVERSAL PRODUCT NUMBER.—The term  
2           “universal product number” has the meaning given  
3           such term in section 1897(b)(2) of the Social Secu-  
4           rity Act (as added by section 2(b)).

5 **SEC. 5. AUTHORIZATION OF APPROPRIATIONS.**

6           The are authorized to be appropriated such sums as  
7           may be necessary for the purpose of carrying out the pro-  
8           visions in subsections (a) and (c) of section 2, section 3,  
9           and section 1897 of the Social Security Act (as added by  
10          section 2(b)).

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