Administrative Simplification

**Summary:** Accelerates HHS adoption of uniform standards and operating rules for the electronic transactions that occur between providers and health plans that are governed under the Health Insurance Portability and Accountability Act (such as benefit eligibility verification, prior authorization and electronic funds transfer payments). Establishes a process to regularly update the standards and operating rules for electronic transactions and requires health plans to certify compliance or face financial penalties collected by the Treasury Secretary. The goal of this section is to make the health system more efficient by reducing the clerical burden on providers, patients, and health plans.

**Status Update:** On July 8, 2011, Department of Health and Human Services (HHS) issued an interim final rule with comment period that adopts operating rules for two Health Insurance Portability and Accountability Act of 1996 (HIPAA) transactions: eligibility for a health plan and health care claim status. This rule also defines the term “operating rules” and explains the role of operating rules in relation to the adopted transaction standards. Comments are due by 5 p.m. on September 6, 2011. Effective date of the new regulations is June 30, 2011.

**Next steps:**
- July 1, 2011 – Secretary must adopt a set of operating rules for eligibility for a health plan and health claim status transactions by this date.
- July 8, 2011 – HHS issued an interim final rule regarding operating rules for eligibility for a health plan and health claim status transactions, with comments due September 6, 2011.
- September 6, 2011 – Comments due to interim final rule issued on July 8, 2011.
- January 1, 2012 – Secretary must promulgate a final rule regarding electronic fund transfers under Medicare by this date, with an effective date of January 1, 2014.
- July 1, 2012 – Secretary must adopt a set of operating rules for electronic fund transfers and health care payment and remittance advice transactions by this date.
- October 1, 2012 – Secretary must promulgate a final rule with an effective date of October 1, 2012 to establish a unique health plan identifier.
- January 1, 2013 – Effective date for new rules regarding eligible for a health plan and health claim status transactions, which may allow for the use of a machine readable identification card.
- December 31, 2013 – A health plan shall file a statement with the Secretary, in such form as the Secretary may require, certifying that the data and information systems for such plan are in compliance with any applicable standards and associated operating rules for electronic funds transfers, eligibility for a health plan, health claim status, and health care payment and remittance advice.
- January 1, 2014 – Effective date for new rules regarding electronic fund transfers (inside and outside of Medicare) and health care payment and remittance advice transactions.
- January 1, 2014 – Secretary must establish a review committee.
• January 1, 2014 – Secretary must promulgate a final rule to establish a transaction standard and a single set of associated operating rules for health claims attachments, with an effective date of January 1, 2016.

• April 1, 2014 (and biennially thereafter) – Secretary, acting through the review committee, must conduct hearings to evaluate and review the adopted standards and operating rules.

• April 1, 2014 (and annually thereafter) – Secretary shall assess a penalty fee against a health plan, which the Secretary of Treasury will collect.

• May 1, 2014 (and annually thereafter) – Secretary of HHS shall provide the Secretary of the Treasury with a report identifying those health plans that have been assessed a penalty fee under this section.

• August 1, 2014 (and annually thereafter) – Secretary of Treasury shall provide notice to each health plan of the amount of the penalty fee and the due date of the fee payment.

• November 1, 2014 (and annually thereafter) – Due date of fee payment.

• July 1, 2014 – Secretary shall adopt a set of operating rules for health claims or equivalent encounter information, enrollment and disenrollment in a health plan, health plan premium payments, and referral certification and authorization transactions.

• July 1, 2014 (and biennially thereafter) – The review committee must provide recommendations for updating and improving the standards and operating rules.

• September 1, 2014 (90 days after July 1, 2014) – The Secretary must publish an interim final rule implementing the review committee’s recommendations.

• November 1, 2014 (60 days after September 1, 2014) – The Secretary must publish a final rule implementing the review committee’s recommendations, with an effective date of the rule 25 months after the close of the comment period on the interim final rule.

• December 31, 2015 – A health plan shall file a statement with the Secretary, in such form as the Secretary may require, certifying that the data and information systems for such plan are in compliance with any applicable standards and associated operating rules for health claims or equivalent encounter information, enrollment and disenrollment in a health plan, health plan premium payments, health claims attachments, and referral certification and authorization.

• January 1, 2016 – Effective date of the January 1, 2014 transaction standard and July 1, 2014 operating rules.

Additional information:


• Healthcare Administrative Simplification Coalition - http://www.simplifyhealthcare.org/
Long summary:

Sec. 1104. Administrative simplification (as amended by sec. 10109 of H.R. 3590).
This section amends the purposes section of the HIPAA administrative simplification provisions to explicitly provide that the standards be uniform and that administrative simplification reduce clerical burden on patients, health care providers and health plans.

**Electronic funds transfers.** Adds electronic funds transfers as a transaction for which standards are to be developed.

**Requirements for financial and administrative transactions.** Adds a requirement that standards and operating rules, to the extent feasible, enable determination of an individual’s eligibility and financial responsibility prior to or at the point of service of care; be comprehensive, be timely in support of a transparent claims and denial management process, and meet certain requirements with respect to data elements.

**Operating rules.** Requires the Secretary to adopt a single set of operating rules for financial and administrative transactions for which standards to enable electronic exchange are created under §1173 of the Social Security Act, with the goal of creating as much uniformity as possible in implementation of electronic standards.

**Timing of the operating rules.** The operating rules for eligibility and health plan claims status transactions to be adopted by July 1, 2011, to be effective by January 1, 2013, and may allow for use of a machine readable identification card. Operating rules for electronic funds transfer and health care payment and remittance advice transactions to allow for automated reconciliation of the electronic payment with the remittance advice and be adopted by July 1, 2012 and effective by January 1, 2014. Operating rules for health claims or equivalent encounter information, enrollment and disenrollment in a health plan, health plan premium payments, and referral certification and authorization transactions, to be adopted by July 1, 2014 and effective by January 1, 2016.

**Compliance.** By December 31, 2013, plans required to file a certification statement with the Secretary and demonstrate that their data and information systems comply with applicable standards and operating rules for four transactions: electronic funds transfer, health plan eligibility, claims status, and health care payment and remittance advice. By December 31, 2015, systems compliance must be certified and documented for health claims or equivalent encounter information, enrollment and disenrollment from a health plan, premium payments, health claims attachments, and referral certification and authorization. Secretary to conduct periodic audits to ensure plan compliance.

**Penalties.** A penalty fee for plans failing to meet the certification and documentation requirements for compliance to be imposed by April 1, 2014 and annually thereafter until a plan is certified. Fee set at $1 per person covered by the plan for which data systems for major medical policies are not in compliance, for each day of non-compliance, up to a maximum of $20 per covered life, with fees and maximum doubled in the case of a plan that has knowingly provided inaccurate or incomplete information. Fee increased annually by the percentage increase in national health expenditures. SEC filings to be used to determine number of covered lives. The Secretary must establish a process for notice and dispute resolution before a penalty is assessed. Penalty fee to be collected by the Secretary of Treasury, using a list provided by the Secretary of HHS by May 1, 2014, and annually...
thereafter. Plans are to be notified of any penalty by August 1st with payment due by November 1st. Interest to apply to late payments.

**Promulgation of rules.** Secretary must:

- issue a unique health plan identifier, based on input from the National Committee of Vital and Health Statistics (NCVHS). An interim final rule authorized to be effective no later than October 1, 2012.
- Promulgate a final rule to establish a standard for electronic funds transfers under §1173(a)(2)(J). May be an interim final rule and must be no later than January 1, 2012 to be effective January 1, 2014.
- Promulgate a final rule by January 1, 2012 establishing a standard and single set of operating rules for health claims attachments under §1173(a)(2)(B) consistent with the X12 Version 5010 transaction standards. May be done as interim final rule and to be no later than January 1, 2014 to be effective 1/1/2016.

**Expansion of electronic transactions in Medicare.** Amends Medicare law to require that not later than January 1, 2014, payment be made by electronic funds transfer or an electronic remittance in a form specified in ASC X12 835 Health Care Payment and Remittance Advice or a subsequent standard.

**Effective date.** Effective on date of enactment.

**Legislative text:**

SEC. 1104. ADMINISTRATIVE SIMPLIFICATION.

(a) PURPOSE OF ADMINISTRATIVE SIMPLIFICATION.—Section 261 of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d note) is amended—

(1) by inserting "uniform" before "standards"; and
(2) by inserting "and to reduce the clerical burden on patients, health care providers, and health plans" before the period at the end.

(b) OPERATING RULES FOR HEALTH INFORMATION TRANSACTIONS.—

(1) DEFINITION OF OPERATING RULES.—Section 1171 of the Social Security Act (42 U.S.C. 1320d) is amended by adding at the end the following:

"(9) OPERATING RULES.—The term 'operating rules' means the necessary business rules and guidelines for the electronic exchange of information that are not defined by a standard or its implementation specifications as adopted for purposes of this part."

(2) TRANSACTION STANDARDS; OPERATING RULES AND COMPLIANCE.—Section 1173 of the Social Security Act (42 U.S.C. 1320d–2) is amended—

(A) in subsection (a)(2), by adding at the end the following new subparagraph:

"(J) Electronic funds transfers;"

(B) in subsection (a), by adding at the end the following new paragraph:

"(4) REQUIREMENTS FOR FINANCIAL AND ADMINISTRATIVE TRANSACTIONS.—

"(A) IN GENERAL.—The standards and associated operating rules adopted by the Secretary shall—

(i) to the extent feasible and appropriate, enable determination of an individual's eligibility and financial responsibility for specific services prior to or at the point of care;
(ii) be comprehensive, requiring minimal augmentation by paper or other communications;
(iii) provide for timely acknowledgment, response, and status reporting that supports a transparent claims and denial management process (including adjudication and appeals); and
(iv) describe all data elements (including reason and remark codes) in unambiguous terms, require that such data elements be required or conditioned upon set values in other fields, and prohibit additional conditions (except where necessary to implement State or Federal law, or to protect against fraud and abuse).

(B) REDUCTION OF CLERICAL BURDEN.—In adopting standards and operating rules for the transactions referred to under paragraph (1), the Secretary shall seek to reduce the number and complexity of forms (including paper and electronic forms) and data entry required by patients and providers. Section 10109(a), p. 796, added a paragraph (5) relating to consideration of standardization of activities and items;

(C) by adding at the end the following new subsections:

"(g) OPERATING RULES.—

"(1) IN GENERAL.—The Secretary shall adopt a single set of operating rules for each transaction referred to under sub- section (a)(1) with the goal of creating as much uniformity in the implementation of the electronic standards as possible. Such operating rules shall be consensus-based and reflect the necessary business rules affecting health plans and health care providers and the manner in which they operate pursuant to standards issued under Health Insurance Portability and Accountability Act of 1996.

"(2) OPERATING RULES DEVELOPMENT.—In adopting operating rules under this subsection, the Secretary shall consider recommendations for operating rules developed by a qualified nonprofit entity that meets the following requirements:
"(A) The entity focuses its mission on administrative simplification.

(B) The entity demonstrates a multi-stakeholder and consensus-based process for development of operating rules, including representation by or participation from health plans, health care providers, vendors, relevant Federal agencies, and other standard development organizations.

(C) The entity has a public set of guiding principles that ensure the operating rules and process are open and transparent, and supports nondiscrimination and conflict of interest policies that demonstrate a commitment to open, fair, and nondiscriminatory practices.

(D) The entity builds on the transaction standards issued under Health Insurance Portability and Account-ability Act of 1996.

(E) The entity allows for public review and updates of the operating rules.

(3) REVIEW AND RECOMMENDATIONS.—The National Committee on Vital and Health Statistics shall—

(A) advise the Secretary as to whether a nonprofit entity meets the requirements under paragraph (2);

(B) review the operating rules developed and recommended by such nonprofit entity;

(C) determine whether such operating rules represent a consensus view of the health care stakeholders and are consistent with and do not conflict with other existing standards;

(D) evaluate whether such operating rules are consistent with electronic standards adopted for health information technology; and

(E) submit to the Secretary a recommendation as to whether the Secretary should adopt such operating rules.

(4) IMPLEMENTATION.—

(A) IN GENERAL.—The Secretary shall adopt operating rules under this subsection, by regulation in accordance with subparagraph (C), following consideration of the operating rules developed by the nonprofit entity described in paragraph (2) and the recommendation submitted by the National Committee on Vital and Health Statistics under paragraph (3)(E) and having ensured consultation with providers.

(B) ADOPTION REQUIREMENTS; EFFECTIVE DATES.—

(i) ELIGIBILITY FOR A HEALTH PLAN AND HEALTH CLAIM STATUS.—The set of operating rules for eligibility for a health plan and health claim status transactions shall be adopted not later than July 1, 2012, in a manner ensuring that such operating rules are effective not later than January 1, 2013, and may allow for the use of a machine readable identification card.

(ii) ELECTRONIC FUNDS TRANSFERS AND HEALTH CARE PAYMENT AND REMITTANCE ADVICE.—The set of operating rules for electronic funds transfers and health care payment and remittance advice transactions shall—

(I) allow for automated reconciliation of the electronic payment with the remittance advice; and

(II) be adopted not later than July 1, 2014.

(iii) HEALTH CLAIMS OR EQUIVALENT ENCOUNTER INFORMATION, ENROLLMENT AND DISENROLLMENT IN A HEALTH PLAN, HEALTH PLAN PREMIUM PAYMENTS, REFERRAL CERTIFICATION AND AUTHORIZATION.—The set of operating rules for health claims or equivalent encounter information, enrollment and disenrollment in a health plan, health plan premium payments, and referral certification and authorization transactions shall be adopted not later than July 1, 2014, in a manner ensuring that such operating rules are effective not later than January 1, 2016.

(C) EXPEDITED RULEMAKING.—The Secretary shall promulgate an interim final rule applying any standard or operating rule recommended by the National Committee on Vital and Health Statistics pursuant to paragraph (3). The Secretary shall accept and consider public comments on any interim final rule published under this subparagraph for 60 days after the date of such publication.

(4) COMPLIANCE.—

(1) HEALTH PLAN CERTIFICATION.—

(A) ELIGIBILITY FOR A HEALTH PLAN, HEALTH CLAIM STATUS, ELECTRONIC FUNDS TRANSFERS, HEALTH CARE PAYMENT AND REMITTANCE ADVICE.—Not later than December 31, 2013, a health plan shall file a statement with the Secretary, in such form as the Secretary may require, certifying that the data and information systems for such plan are in compliance with any applicable standards (as described under paragraph (7) of section 1171) and associated operating rules (as described under paragraph (9) of such section) for electronic funds transfers, eligibility for a health plan, health claim status, and health care payment and remittance advice, respectively.

(B) HEALTH CLAIMS OR EQUIVALENT ENCOUNTER INFORMATION, ENROLLMENT AND DISENROLLMENT IN A HEALTH PLAN, HEALTH PLAN PREMIUM PAYMENTS, HEALTH CLAIMS ATTACHMENTS, REFERRAL CERTIFICATION AND AUTHORIZATION.—Not later than December 31, 2015, a health plan shall file a statement with the Secretary, in such form as the Secretary may require, certifying that the data and information systems for such plan are in compliance with any applicable standards and associated operating rules for health claims or equivalent encounter information, enrollment and disenrollment in a health plan, health plan premium payments, health claims attachments, and referral certification and authorization, respectively. A health plan shall provide the same level of documentation to certify compliance with such transactions as is required to certify compliance with the transactions specified in subparagraph (A).

(C) DOCUMENTATION OF COMPLIANCE.—A health plan shall provide the Secretary, in such form as the Secretary may require, with adequate documentation of compliance with the standards and operating rules described under paragraph (1). A health plan shall not be considered to have provided adequate documentation and shall not be certified as being in compliance with such standards, unless the health plan—

(A) demonstrates to the Secretary that the plan conducts the electronic transactions specified in paragraph (1) in a manner that fully complies with the regulations of the Secretary; and

(B) provides documentation showing that the plan has completed end-to-end testing for such transactions with their partners, such as hospitals and physicians.

(3) SERVICE CONTRACTS.—A health plan shall be required to ensure that any entities that provide services pursuant to a contract with such health plan shall comply with any applicable certification and compliance requirements (and provide the Secretary with adequate documentation of such compliance) under this subsection.

(4) CERTIFICATION BY OUTSIDE ENTITY.—The Secretary may designate independent, outside entities to certify that a health plan has complied with the requirements under this

(5) COMPLIANCE WITH REVISED STANDARDS AND OPERATING RULES.—

(A) IN GENERAL.—A health plan (including entities described under paragraph (3)) shall file a statement with the Secretary, in such form as the Secretary may require, certifying that the data and information systems for such plan are in compliance with any applicable revised standards and associated operating rules under this subsection for any interim final rule promulgated by the Secretary under subsection (i) that—
“(i) amends any standard or operating rule described under paragraph (1) of this subsection; or ‘
(ii) establishes a standard (as described under subsection (a)(1)(B)) or associated operating rules (as described under subsection (i)(5))
for any other financial and administrative transactions.

“(B) DATE OF COMPLIANCE.—A health plan shall comply with such requirements not later than the effective date of the applicable
standard or operating rule.

“(c) AUDITS OF HEALTH PLANS.—The Secretary shall conduct periodic audits to ensure that health plans (including entities described
under paragraph (3)) are in compliance with any standards and operating rules that are described under paragraph (1) or subsection
(i)(5).

“(j) PENALTIES.—

“(1) IN GENERAL.—Not later than January 1, 2014, the Secretary shall establish a review committee (as described under paragraph
(a)(4)).

“(2) EVALUATIONS AND REPORTS.—

“(A) HEARINGS.—Not later than April 1, 2014, and not less than biennially thereafter, the Secretary, acting through the review
committee, shall conduct hearings to evaluate and review the adopted standards and operating rules established under this section.

“(B) REPORT.—Not later than July 1, 2014, and not less than biennially thereafter, the review committee shall provide recommendations
for updating and improving such standards and operating rules. The review committee shall recommend a single set of operating rules
per transaction standard and maintain the goal of creating as much uniformity as possible in the implementation of the electronic
standards.

“(3) INTERIM final Rulemaking.—

“(A) IN GENERAL.—Any recommendations to amend adopted standards and operating rules that have been approved by the review
committee and reported to the Secretary under paragraph (2)(B) shall be adopted by the Secretary through promulgation of an interim
final rule not later than 90 days after receipt of the committee’s report.

“(B) PUBLIC COMMENT.—“(i) PUBLIC COMMENT PERIOD.—The Secretary shall final rule published under this paragraph for 60 days
after the date of such publication.

“(ii) EFFECTIVE DATE.—The effective date of any amendment to existing standards or operating rules that is adopted through an interim
final rule published under this paragraph shall be 25 months following the close of such public comment period.

“(4) REVIEW COMMITTEE—

“(A) DEFINITION.—For the purposes of this subsection, the term ‘review committee’ means a committee chartered by or within the
Department of Health and Human services that has been designated by the Secretary to carry out this subsection, including—
   
“(i) the National Committee on Vital and Health Statistics; or
   
“(ii) any appropriate committee as determined by the Secretary.

“(B) COORDINATION OF HIT STANDARDS.—In developing recommendations under this subsection, the review committee shall ensure
coordination, as appropriate, with the standards that support the certified electronic health record technology approved by the Office
of the National Coordinator for Health Information Technology.

“(5) OPERATING RULES FOR OTHER STANDARDS ADOPTED BY THE SECRETARY.—The Secretary shall adopt a single set of operating
rules (pursuant to the process described under subsection (g)) for any transaction for which a standard had been adopted pursuant to
subsection (a)(1)(B).

“(j) PENALTIES—

“(1) PENALTY FEE—

“(A) IN GENERAL.—Not later than April 1, 2014, and annually thereafter, the Secretary shall assess a penalty fee (as determined under
subparagraph (B)) against a health plan that has failed to meet the requirements under subsection (h) with respect to certification and
documentation of compliance with—

“(i) the standards and associated operating rules described under paragraph (1) of such subsection; and ‘
(ii) a standard (as described under subsection (a)(1)(B)) and associated operating rules (as described under subsection (i)(5)) for any other financial and
administrative transactions.

“(B) FEE AMOUNT.—Subject to subparagraphs (C), (D), and (E), the Secretary shall assess a penalty fee against a health plan in the
amount of $1 per covered life until certification is complete. The penalty shall be assessed per person covered by the plan for which its
data systems for major medical policies are not in compliance and shall be imposed against the health plan for each day that the plan is
not in compliance with the requirements under subsection (h).

“(C) ADDITIONAL PENALTY FOR MISREPRESENTATION.—A health plan that knowingly provides inaccurate or incomplete information
in a statement of certification or documentation of compliance under subsection (h) shall be subject to a penalty fee that is double the
amount that would otherwise be imposed under this subsection.

“(D) ANNUAL PENALTY INCREASE.—The amount of the penalty fee imposed under this subsection shall be increased on an annual basis by
the annual percentage increase in total national health care expenditures, as determined by the Secretary.

“(E) PENALTY LIMIT.—A penalty fee assessed against a health plan under this subsection shall not exceed, on an annual basis—

“(i) an amount equal to $20 per covered life under such plan; or

“(ii) an amount equal to $40 per covered life under the plan if such plan has knowingly provided inaccurate or incomplete information
(as described under subparagraph (C)).

“(F) DETERMINATION OF COVERED INDIVIDUALS.—The Secretary shall determine the number of covered lives under a health plan
based upon the most recent statements and filings that have been submitted by such plan to the Securities and Exchange Commission.

“(G) NOTICE AND DISPUTE PROCEDURE.—The Secretary shall establish a procedure for assessment of penalty fees under this
subsection that provides a health plan with reasonable notice and a dispute resolution procedure prior to provision of a notice of
assessment by the Secretary of the Treasury (as described under paragraph (4)(B)).

“(3) PENALTY FEE REPORT.—Not later than May 1, 2014, and annually thereafter, the Secretary shall provide the Secretary of the
Treasury with a report identifying those health plans that have been assessed a penalty fee under this subsection.

“(4) COLLECTION OF PENALTY FEE—

“(A) IN GENERAL.—The Secretary of the Treasury, acting through the Financial Management Service, shall administer the collection of
penalty fees from health plans that have been identified by the Secretary in the penalty fee report provided under paragraph (3).

“(B) NOTICE.—Not later than August 1, 2014, and annually thereafter, the Secretary of the Treasury shall provide notice to each health

plan that has been assessed a penalty fee by the Secretary under this subsection. Such notice shall include the amount of the penalty fee assessed by the Secretary and the due date for payment of such fee to the Secretary of the Treasury (as described in subparagraph (C)).

(C) PAYMENT DUE DATE.—Payment by a health plan for a penalty fee assessed under this subsection shall be made to the Secretary of the Treasury not later than November 1, 2014, and annually thereafter.

(D) UNPAID PENALTY FEES.—Any amount of a penalty fee assessed against a health plan under this subsection for which payment has not been made by the due date provided under subparagraph (C) shall be—

(1) increased by the interest accrued on such amount, as determined pursuant to the underpayment rate established under section 6621 of the Internal Revenue Code of 1986; and

(2) treated as a past-due, legally enforceable debt owed to a Federal agency for purposes of section 6402(d) of the Internal Revenue Code of 1986.

(E) ADMINISTRATIVE FEES.—Any fee charged or allocated for collection activities conducted by the Financial Management Service will be passed on to a health plan on a pro-rata basis and added to any penalty fee collected from the plan.

(c) PROMULGATION OF RULES.—

(1) UNIQUE HEALTH PLAN IDENTIFIER.—The Secretary shall promulgate a final rule to establish a unique health plan identifier (as described in section 1173(b) of the Social Security Act (42 U.S.C. 1320d–2(b))) based on the input of the National Committee on Vital and Health Statistics. The Secretary may do so on an interim final basis and such rule shall be effective not later than October 1, 2012.

(2) ELECTRONIC FUNDS TRANSFER.—The Secretary shall promulgate a final rule to establish a standard for electronic funds transfers (as described in section 1173(a)(2)(J) of the Social Security Act, as added by subsection (b)(2)(A)). The Secretary may do so on an interim final basis and shall adopt such standard not later than January 1, 2012, in a manner ensuring that such standard is effective not later than October 1, 2012.

(3) HEALTH CLAIMS ATTACHMENTS.—The Secretary shall promulgate a final rule to establish a transaction standard and a single set of associated operating rules for health claims attachments (as described in section 1173(a)(2)(B) of the Social Security Act (42 U.S.C. 1320d–2(a)(2)(B))) that is consistent with the X12 Version 5010 transaction standards. The Secretary may do so on an interim final basis and shall adopt a trans-action standard and a single set of associated operating rules not later than January 1, 2014, in a manner ensuring that such standard is effective not later than January 1, 2016.

(d) EXPANSION OF ELECTRONIC TRANSACTIONS IN MEDICARE.—Section 1862(a) of the Social Security Act (42 U.S.C. 1395y(a)) is amended—

(1) in paragraph (23), by striking the “or” at the end;

(2) in paragraph (24), by striking the period and inserting “; or”;

(3) by inserting after paragraph (24) the following new paragraph:

“(25) not later than January 1, 2014, for which the payment is other than by electronic funds transfer (EFT) or an electronic remittance in a form as specified in ASC X12 835 Health Care Payment and Remittance Advice or subsequent standard.” (Section 10109, p. 795, provided for development of standards for financial and administrative transactions)