

Processing Payment Transactions by Financial Institutions

SEC. 1179.

To the extent that an entity is engaged in activities of a financial institution (as defined in section 1101 of the Right to Financial Privacy Act of 1978), or is engaged in authorizing, processing, clearing, settling, billing, transferring, reconciling, or collecting payments, for a financial institution, this part, and any standard adopted under this part, shall not apply to the entity with respect to such activities, including the following:

(1) The use or disclosure of information by the entity for authorizing, processing, clearing, settling, billing, transferring, reconciling or collecting, a payment for, or related to, health plan premiums or health care, where such payment is made by any means, including a credit, debit, or other payment card, an account, check, or electronic funds transfer.

(2) The request for, or the use or disclosure of, information by the entity with respect to a payment described in paragraph (1)--

(A) for transferring receivables;

(B) for auditing;

(C) in connection with--

(i) a customer dispute; or

(ii) an inquiry from, or to, a customer;

(D) in a communication to a customer of the entity regarding the customer's transactions, payment card, account, check, or electronic funds transfer;

(E) for reporting to consumer reporting agencies; or

(F) for complying with--

(i) a civil or criminal subpoena; or

(ii) a Federal or State law regulating the entity."

(b) CONFORMING AMENDMENTS.--

(1) REQUIREMENT FOR MEDICARE PROVIDERS.--Section 1866(a)(1) (42 U.S.C. 1395cc(a)(1)) is amended--

(A) by striking ``and" at the end of subparagraph (P);

(B) by striking the period at the end of subparagraph (Q) and inserting "; and";
and

(C) by inserting immediately after subparagraph (Q) the following new
subparagraph:

(R) to contract only with a health care clearinghouse (as defined in section 1171)
that meets each standard and implementation specification adopted or
established under part C of title XI on or after the date on which the health care
clearinghouse is required to comply with the standard or specification."

(2) TITLE HEADING.--Title XI (42 U.S.C. 1301 et seq.) is amended by striking
the title heading and inserting the following: