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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To amend title 38, to direct the Secretary of Veterans Affairs to use an information technology system to detect fraud, waste, and abuse regarding claims for payment submitted to the Secretary under the Veterans Community Care Program.

IN THE HOUSE OF REPRESENTATIVES

Mr. BARRETT introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title 38, to direct the Secretary of Veterans Affairs to use an information technology system to detect fraud, waste, and abuse regarding claims for payment submitted to the Secretary under the Veterans Community Care 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 “Forcing Real Account-
5 ability for Unlawful Distributions Act of 2025” or the
6 “FRAUD Act of 2025”.

1 **SEC. 2. INFORMATION TECHNOLOGY SYSTEM TO DETECT**
2 **FRAUD, WASTE, AND ABUSE CLAIMS UNDER**
3 **THE VETERANS COMMUNITY CARE PRO-**
4 **GRAM.**

5 (a) IN GENERAL.—Subsection (f) of section 1703D
6 of title 38, United States Code, is amended—

7 (1) in paragraph (1)—

8 (A) by striking “paragraph (1)” each place
9 it appears and inserting “subparagraph (A)”;

10 (B) by inserting “(A)” before “The Sec-
11 retary”; and

12 (C) by redesignating paragraphs (2) and
13 (3) as subparagraphs (B) and (C), respectively;
14 and

15 (2) by adding at the end the following new
16 paragraph:

17 “(2)(A) The Secretary shall use an information tech-
18 nology system to—

19 “(i) analyze a claim submitted to the Sec-
20 retary—

21 “(I) by a health care entity or provider
22 that furnishes hospital care, medical services, or
23 extended care services under this chapter; and

24 “(II) through the health care claims enter-
25 prise solution

1 “(ii) detect whether such claim is a fraudulent
2 claim, an overpayment, or other fraud, waste, or
3 abuse.

4 “(B) The information technology system under this
5 paragraph shall include the following functions:

6 “(i) Continuous monitoring of claims to detect
7 patterns that may indicate fraud, waste, or abuse.

8 “(ii) Analysis of historical and real-time claims
9 data to identify and predict potential fraudulent
10 claims.

11 “(iii) Ready-made analytic models to identify
12 and analyze fraudulent claims.

13 “(iv) Post-payment analysis for overuse of serv-
14 ices or other practices that create unnecessary costs
15 to the Department.

16 “(v) Integration with existing claims processing
17 systems and technologies of the Department.

18 “(vi) Logging, storage, analysis, and reports re-
19 garding the nature, frequency, and financial impact
20 of detected fraudulent claims.

21 “(vii) Identification of, and machine learning
22 that is based on, patterns of fraudulent claims in
23 order to reduce false positives and predict new forms
24 of fraud.

1 “(viii) Updates to detect new models of fraud,
2 waste and abuse.

3 “(ix) Any other function determined necessary
4 by the Secretary.

5 “(C) To carry out this paragraph, the Secretary shall
6 use funds from the Department of Veterans Affairs fran-
7 chise fund established under title I of Public Law 104–
8 204 (38 U.S.C. 301 note).

9 “(D) Not later than two years after the date of the
10 enactment of the FRAUD Act of 2025 and annually there-
11 after through the day described in subparagraph (E), the
12 Secretary shall submit to the Committees on Veterans’ Af-
13 fairs of the Senate and House of Representatives a report
14 regarding the operation of such information technology
15 system during the preceding year. Each such report shall
16 include the following elements:

17 “(i) The effectiveness of the information tech-
18 nology system in performing the functions described
19 in subparagraph (B).

20 “(ii) The estimated savings to the Department
21 arising from the use of the information technology
22 system.

23 “(iii) Any plans to enhance, modify, or add new
24 capabilities to the information technology system.

1 “(E) This paragraph shall cease to be effective on
2 the day that is seven years after the date of the enactment
3 of the FRAUD Act of 2025.

4 “(F) In this paragraph:

5 “(i) The term ‘Community Care Network’
6 means a network established under section 1703(h)
7 of this title.

8 “(ii) The term ‘health care claims enterprise so-
9 lution’ means the information technology used by
10 the Secretary to process a claim submitted under
11 this chapter by a health care entity or provider that
12 is not part of a Community Care Network.”.

13 (b) IMPLEMENTATION DATE.—The Secretary shall
14 carry out the amendments made by this section not later
15 than one year after the date of the enactment of this Act.