

=H.B. No. \_\_\_\_

Author/Sponsor: Rep. John Fay (FL-13)

119th Congress, 2025–2026 Session

**An Act relating to the prevention of improper payments, modernization of eligibility verification systems, and strengthening transparency for taxpayer-funded programs.**

**BE IT ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES OF AMERICA IN CONGRESS ASSEMBLED:**

## **Section 1.**

**This Act may be cited as the “Taxpayer Integrity and Improper Payments Reduction Act of 2026” or the “TIPPR Act of 2026.”**

## **Section 2.**

### **(a) Purpose.**

The purpose of this Act is to reduce improper payments in federal programs by strengthening pre-payment verification procedures, improving interagency data sharing, increasing transparency for large federal awards, and modernizing state-level eligibility systems.

### **(b) Findings.**

Congress finds that:

1. Improper payments totaled approximately \$162 billion in Fiscal Year 2024 (Government Accountability Office);
2. Improper payments occur across major programs including Medicare, Medicaid, unemployment insurance, disaster relief, and federal contracting;
3. Medicare Advantage reported an improper payment rate of 6.09 percent in Fiscal Year 2025 (Centers for Medicare & Medicaid Services);
4. Fragmented data systems and inconsistent screening procedures contribute significantly to improper payment rates;

5. Preventing improper payments prior to disbursement is more cost-effective than post-payment recovery.

### **Section 3.**

For purposes of this Act:

1. Improper Payment means any payment that should not have been made or was made in an incorrect amount under statutory, contractual, or administrative requirements.
2. High-Risk Program means any federal program designated by the Office of Management and Budget as having a significant risk of improper payments.
3. Pre-Payment Data Matching means the use of authorized federal screening systems to verify eligibility prior to the disbursement of funds.
4. Covered Federal Award means any federal grant, cooperative agreement, or contract with a value exceeding \$1,000,000.

### **Section 4.**

(a) Pre-Payment Data Matching Requirement.

Federal agencies administering high-risk programs shall implement pre-payment data matching procedures within 180 days of enactment.

(b) Death and Duplication Screening.

Agencies shall conduct cross-agency verification to prevent payments to deceased individuals and duplicate recipients, consistent with federal privacy laws.

(c) Temporary Review Authority.

Agencies may pause flagged payments for up to 30 days, provide written notice, and allow recipients an opportunity to respond prior to final determination.

(d) State Program Integrity Partnership Grants.

The Secretary of the Treasury, in coordination with the Director of the Office of Management and Budget, shall establish competitive grants to assist states in modernizing verification systems and reducing improper payment rates.

(e) Transparency Dashboard.

The Department of the Treasury shall establish a publicly accessible dashboard listing covered federal awards, excluding personally identifiable information.

## **Section 5.**

(a) The Secretary of the Treasury and the Director of the Office of Management and Budget shall issue implementation guidance within 180 days of enactment.

(b) Agencies failing to comply shall submit corrective action plans to Congress within 90 days of noncompliance.

(c) The Government Accountability Office shall conduct a review and submit a report to Congress within 24 months evaluating implementation effectiveness.

## **Section 6.**

The Director of the Office of Management and Budget may withhold up to 5 percent of administrative funds for a High-Risk Program if an agency fails to implement required pre-payment verification procedures within the timeframe established under this Act. In cases of persistent noncompliance, the Inspector General of the relevant agency shall conduct an audit and submit findings to Congress.

## **Analysis of Research**

Key themes from oversight research include:

- Data fragmentation limits real-time eligibility verification.
- Legacy IT systems reduce cross-program integration.
- The federal government relies heavily on a “pay and chase” model.
- Prevention is more cost-effective than recovery (Government Accountability Office, *Improper Payments: Ongoing Challenges*).

### **Stakeholders affected:**

- Federal agencies
- State program administrators
- Medicare beneficiaries
- Taxpayers
- Congressional oversight committees

### **Gap in Current Law:**

While agencies report improper payment rates annually under the Payment Integrity Information Act, there is no uniform statutory requirement mandating standardized pre-payment data

matching across all High-Risk Programs.

## **Bipartisan Appeal**

This bill supports shared values of accountability, fiscal responsibility, and program integrity.

### **For conservatives:**

- Reduces waste
- Protects taxpayers
- Limits deficit pressure

### **For progressives:**

- Protects public programs from scandal and cuts
- Ensures funds reach intended beneficiaries
- Includes due process protections

The proposal focuses on efficiency rather than expansion of government programs.

## **Procedural/Administrative Provisions**

### **Severability Clause.**

If any provision of this Act is held invalid, the remainder of the Act shall remain in effect.

### **Effective Date.**

This Act shall take effect 180 days after enactment.

### **Repealer Clause.**

Nothing in this Act shall be construed to supersede existing statutory authorities except to the extent expressly provided herein.

## **Summary**

This Act reduces improper payments in federal programs by requiring standardized pre-payment verification, strengthening cross-agency data sharing, establishing state modernization grants,

increasing transparency for large federal awards, and mandating GAO review of implementation effectiveness.

## Works Cited

Centers for Medicare & Medicaid Services. *FY2025 Improper Payments Fact Sheet*. U.S. Department of Health and Human Services, 15 Jan. 2026.

<https://www.cms.gov/newsroom/fact-sheets/fiscal-year-2025-improper-payments-fact-sheet>

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