

AMENDMENT

OFFERED BY M____.

Add at the end the following:

1 **SEC. ____.** **IMPROVING RISK ADJUSTMENT UNDER MEDI-**
2 **CARE ADVANTAGE.**

3 (a) **USE OF 2 YEARS OF DIAGNOSTIC DATA.**—Sec-
4 tion 1853(a)(3)(C)(iii) of the Social Security Act (42
5 U.S.C. 1395w–23(a)(3)(C)(iii)) is amended—

6 (1) by striking “**METHODOLOGY.**—Such risk”
7 and inserting “**METHODOLOGY.**—

8 “(I) **IN GENERAL.**—Subject to
9 subclause (II), such risk”; and

10 (2) by adding at the end the following new sub-
11 clauses:

12 “(II) **USE OF HEALTH STATUS**
13 **DATA.**—For 2026 and each subse-
14 quent year, the Secretary shall use 2
15 years of diagnostic data (when avail-
16 able) under such risk adjustment
17 methodology.”.

18 (b) **EXCLUSION OF DIAGNOSES COLLECTED FROM**
19 **CHART REVIEWS AND HEALTH RISK ASSESSMENTS.**—

1 (1) IN GENERAL.—Section 1853(a)(1)(C) of
2 such Act (42 U.S.C. 1395w–23(a)(1)(C)) is amend-
3 ed by adding at the end the following new clause:

4 “(iv) EXCLUSION OF DIAGNOSES COL-
5 LECTED FROM CHART REVIEWS AND
6 HEALTH RISK ASSESSMENTS.—

7 “(I) IN GENERAL.—For 2026
8 and each subsequent year, for pur-
9 poses of establishing the payment ad-
10 justment factors and adjusting pay-
11 ment based on health status under
12 clause (i), the Secretary shall not take
13 into account a diagnosis collected
14 from a chart review or a health risk
15 assessment.

16 “(II) IDENTIFICATION OF DIAG-
17 NOSES COLLECTED FROM CHART RE-
18 VIEWS AND HEALTH RISK ASSESS-
19 MENTS.—The Secretary shall estab-
20 lish procedures to provide for the
21 identification and verification of diag-
22 noses collected from chart reviews and
23 health risk assessments.”.

1 (c) APPLICATION OF CODING ADJUSTMENT.—Sec-
2 tion 1853(a)(1)(C)(ii) of such Act (42 U.S.C. 1395w-
3 23(a)(1)(C)(ii)) is amended—

4 (1) in subclause (III), by striking “In calcu-
5 lating” and inserting “Subject to subclause (V), in
6 calculating”; and

7 (2) by adding at the end the following new sub-
8 clause:

9 “(V) In calculating such adjust-
10 ment for 2026 and each subsequent
11 year, the Secretary shall evaluate the
12 impact on risk scores for Medicare
13 Advantage enrollees of differences in
14 coding patterns between Medicare Ad-
15 vantage plans and providers under
16 parts A and B and publicly report the
17 results of such evaluation. The Sec-
18 retary shall ensure that such adjust-
19 ment, which may include adjustment
20 on a plan or contract level, fully ac-
21 counts for the impact of coding pat-
22 tern differences not otherwise ac-
23 counted for to the extent that the Sec-
24 retary identifies such differences
25 through annual evaluation.”.

1 **SEC. _____. TRANSITION TO AN UPDATE TO A SINGLE CON-**
2 **VERSION FACTOR UNDER THE MEDICARE**
3 **PHYSICIAN FEE SCHEDULE BASED ON THE**
4 **MEDICARE ECONOMIC INDEX.**

5 (a) IN GENERAL.—Section 1848(d)(20) of the Social
6 Security Act (42 U.S.C. 1395w–4(d)(20)) is amended to
7 read as follows:

8 “(20) UPDATE FOR 2026 AND SUBSEQUENT
9 YEARS.—The update to the single conversion factor
10 established in paragraph (1)(C) for 2026 and each
11 subsequent year shall be equal to the Secretary’s es-
12 timate of the percentage increase in the MEI (as de-
13 fined in section 1842(i)(3)) for the year.”.

14 (b) CONFORMING AMENDMENT TO PROVIDE FOR A
15 SINGLE CONVERSION FACTOR AFTER 2025.—Section
16 1848(d)(1) of the Social Security Act (42 U.S.C. 1395w–
17 4(d)(1)) is amended—

18 (1) in subparagraph (A)—

19 (A) by striking “and ending with 2025”;
20 and

21 (B) by striking “There shall be two sepa-
22 rate conversion factors” and all that follows
23 through the end of the subparagraph; and

24 (2) in subparagraph (D), by striking “(or, be-
25 ginning with 2026, applicable conversion factor)”.

