

**SEC. 3203. [APPLICATION OF CODING INTENSITY ADJUSTMENT DURING MA PAYMENT TRANSITION][REPEALED AND REPLACED].**

**[Section 3203 (and the amendments made by such section) was repealed by section 1102(a) of HCERA.]**

**[Section 1102(e) of HCERA amended section 1853(a)(1)(C)(ii) of the Social Security Act with respect to the coding intensity adjustment, shown below]**

(e) **[SEC. 1102(E) OF HCERA]** Coding Intensity Adjustment.—  
Section 1853(a)(1)(C)(ii) of such Act (42 U.S.C. 1395w-23(a)(1)(C)(ii)) is amended—

(1) in the heading, by striking “DURING PHASEOUT OF BUDGET NEUTRALITY FACTOR” and inserting “OF CODING ADJUSTMENT”;

(2) in the matter before subclause (I), by striking “through 2010” and inserting “and each subsequent year”; and

(3) in subclause (II)—

(A) in the first sentence, by inserting “annually” before “conduct an analysis”;

(B) in the second sentence—

(i) by inserting “on a timely basis” after “are incorporated”; and

(ii) by striking “only for 2008, 2009, and 2010” and inserting “for 2008 and subsequent years”;

(C) in the third sentence, by inserting “and updated as appropriate” before the period at the end; and

(D) by adding at the end the following new subclauses:

“(III) In calculating each year’s adjustment, the adjustment factor shall be for 2014, not less than the adjustment factor applied for 2010, plus 1.3 percentage points; for each of years 2015 through 2018, not less than the adjustment factor

*applied for the previous year, plus 0.25 percentage point; and for 2019 and each subsequent year, not less than 5.7 percent.*

*“(IV) Such adjustment shall be applied to risk scores until the Secretary implements risk adjustment using Medicare Advantage diagnostic, cost, and use data.”.*