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# **INTERIM SUMMARY REPORT ON INDIVIDUAL AND SMALL GROUP MARKET RISK ADJUSTMENT FOR THE 2025 BENEFIT YEAR**

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## **I. Background**

Section 1343 of the Patient Protection and Affordable Care Act (ACA) establishes an individual and small group market risk adjustment program to provide payments to health insurance issuers that offer plans that attract higher-than-average risk enrollees, such as those with chronic conditions. These payments reduce the incentive for issuers to structure their plan benefit designs or marketing strategies to avoid such enrollees and lessen the potential influence of risk selection on the premiums that plans charge. In response to feedback from interested parties, the Department of Health and Human Services (HHS) began releasing an interim summary report to provide issuers and states with additional information on the progress of the risk adjustment program for the applicable benefit year prior to publication of the final report.

The risk adjustment methodology developed by HHS is based on the premise that premiums should reflect differences in plan benefits, quality, and efficiency rather than the health status of the enrolled population. The HHS risk adjustment methodology determines each plan's risk adjustment transfer amount under the state payment transfer formula based on the actuarial risk of enrollees, the actuarial value (AV) of coverage, utilization, the cost of doing business in local rating areas, and the effect of different cost-sharing levels on utilization. For the 2025 benefit year, HHS applied this methodology in all 50 states and the District of Columbia.

This interim summary report on risk adjustment is based on issuers submitting at least 90% of three quarters of claims data and 90% of enrollment data for the 2025 benefit year. In the 2018 benefit year, HHS introduced the high-cost risk pool (HCRP) within the HHS risk adjustment methodology, which reimburses issuers for a portion of each enrollee's aggregated plan paid amounts that meet certain parameters. As in previous interim reports, HCRP interim estimates are not included because we expect that many issuers will submit their more expensive and complicated claims towards the end of the data submission period.

## **II. Description of Data**

As described in the November 12, 2025, "Evaluation of EDGE Data Submissions for the 2025 Benefit Year" bulletin,<sup>1</sup> HHS evaluated whether issuers provided access to EDGE server data sufficient for HHS to calculate and release an interim summary risk adjustment report for each state and the District of Columbia. HHS evaluated each issuer's data to determine if the issuer loaded at least 90% of its enrollment data for the full 2025 benefit year, and 90% of its claims data linked to enrollees (i.e., non-orphaned medical and pharmacy claims data) for the first three quarters of the benefit year (the data "quantity" evaluation). For those issuers who passed quantity evaluations, HHS also evaluated the issuer's EDGE server data to investigate outliers using several criteria (the data "quality" evaluation). If an issuer had a specific data outlier, the issuer was provided an opportunity to explain the outlier status. If the outlier was determined to be a true unresolved data quality issue, or if the issuer submitted no explanation, the issuer failed the data quality evaluation.

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<sup>1</sup> Available at <https://www.cms.gov/files/document/edge-2025-qq-guidance-5cr-111025.pdf>. Also see 45 CFR 153.710(g).

To improve data transparency and facilitate issuers' rate setting and financial forecasts, HHS will issue interim risk adjustment summary information for a state market *only* if all credible issuers in that state market passed both data quantity and quality thresholds.<sup>2</sup> For the 2025 benefit year risk adjustment interim summary results, 48 states and the District of Columbia are eligible for inclusion in the interim risk adjustment report in all participating markets while one state, Ohio, is eligible for inclusion in the individual market only.

The following state markets are ineligible for inclusion in the interim risk adjustment report since one or more credible issuers in those markets did not meet the applicable thresholds for the data quantity evaluation by the applicable interim data submission deadline:

- Delaware: Individual Market<sup>3</sup>
- Delaware: Small Group Market
- Ohio: Small Group Market

The data displayed in this report are preliminary. Final risk adjustment data may differ and therefore could result in significantly different magnitude and direction of final transfers from the data presented in this report and issuers' interim risk adjustment transfer reports. Because an issuer's risk adjustment transfer amount under the state payment transfer formula is dependent on the data submitted by other issuers within a state market risk pool, a stable risk score for an issuer between interim and final risk adjustment may not reflect a stable risk adjustment transfer amount.

The information on risk scores provided in this interim risk adjustment summary report will not necessarily be predictive of final 2025 benefit year risk adjustment risk scores. If an issuer wishes to use this interim information to assist in estimating the 2025 benefit year risk adjustment transfer amounts, it should do so with caution and in combination with other significant data. In particular, smaller issuers may experience a wider degree of variation, given the impact larger issuers have on transfers within a state market risk pool.

The data released in this report may nonetheless be useful to issuers seeking additional information about the progress of the HHS-operated risk adjustment program before publication of the final report, especially for those that participate in other regulatory programs that may have earlier submission deadlines, such as rate review for certain states. This report also contains data, such as billable member months and statewide average premiums, which may have utility beyond risk scores or risk adjustment.

### **III. Comparison of Interim and Final Risk Adjustment Results for the 2024 Benefit Year and Considerations for the 2025 Benefit Year**

Data analyses based on data from benefit years 2018-2024 suggest transfers and risk scores from

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<sup>2</sup> Issuers were deemed credible if they had at least 0.5% market share in a state market.

<sup>3</sup> The data quantity evaluation occurs at the market level. Therefore, if an issuer fails the data quantity evaluation in the individual market in a state, CMS excludes both the individual non-catastrophic and individual catastrophic state market risk pools in that state from the interim risk adjustment report.

interim to final are generally similar, but the degree of the relationship can vary from year to year. This relationship is dependent on high quantity and quality data early in the data submission process to provide reliable estimates before final data submission that can be used in combination with other relevant data for issuers' rate setting and financial forecasts. As discussed in the Summary Report on Individual and Small Group Market Risk Adjustment Transfers for the 2024 Benefit Year, we conducted additional analysis comparing the 2024 benefit year interim and final risk adjustment results to examine predictability and variation.<sup>4</sup> For example, in 2024, the difference between interim and final risk scores in the individual non-catastrophic and small group market risk pools was larger when compared to the 2023 benefit year although all credible issuers in every state market risk pool (including the District of Columbia) met the data sufficiency requirements.

We compared the national data claims quantity completion rate at the data submission deadlines for the interim reports for the 2024 and 2025 benefit years, which were determined by comparing each issuer's EDGE server data submission to their final baseline representing the full year of reported claims data for 2024 and 2025. HHS issued interim risk adjustment summary results for all 50 states plus the District of Columbia for the 2024 benefit year. In the 2024 benefit year interim risk adjustment estimates, we calculated claims completion of 91.7% as of the interim report data deadline of January 9, 2025. For the 2025 benefit year interim risk adjustment estimates, we calculated a data completion of 91.0% as of the interim report data deadline of January 8, 2026.

We note that depending on issuers' data quantity submissions beyond three quarters of data in each state market risk pool, issuers' relative portion of data submitted by the applicable deadline for inclusion in the interim report, issuers' market share, and data quality once final data has been loaded, the estimates from interim to final could change significantly. For example, regression modeling indicated that predictability of final risk adjustment results from interim results in each state market risk pool can be drastically reduced by a single issuer outlier with incomplete or erroneous data, even one with relatively few enrollees.

In addition, risk score changes over benefit years do not necessarily reflect changes in population health risk. Risk score changes year over year are also affected by changes in plan enrollment (metal level or cost sharing), coding practices, and the risk adjustment methodology. For the 2025 benefit year, there was one update to the HHS risk adjustment methodology in addition to updating the underlying EDGE data years used for recalibration to the three most recent years of EDGE data (2019, 2020, and 2021 EDGE data, trended for 2025 expenditures). Specifically, cost-sharing reduction (CSR) adjustment factors for American Indian and Alaska Native (AI/AN) zero cost sharing and limited cost sharing plan variant enrollees were recalibrated. This recalibration was completed to account for higher expenditures of AI/AN CSR plan variant enrollees compared to non-CSR silver enrollees and address concerns about observed underprediction among these AI/AN CSR plan variant enrollees.<sup>5</sup>

**Therefore, risk score differences indicated below in Table 1 comparing interim 2025 and**

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<sup>4</sup> Available at <https://www.cms.gov/files/document/by24-transfers-report.pdf>.

<sup>5</sup> See HHS Notice of Benefit and Payment Parameters for 2025; 89 FR 26218 at 26235 through 26255 (April 15, 2024), (2025 Payment Notice).

**final 2024 data submission are not directly comparable due to data completeness, model changes, and other differences by year.**

We also note that since issuers continue to update their enrollment and claims data, it is difficult to determine the final impact of significant continuing market changes for 2025 benefit year on enrollment, claims, risk scores and risk adjustment transfers. These changes include the end of Medicaid Unwinding, the associated sunseting of the temporary Special Enrollment Period (SEP) available through HealthCare.gov for qualified individuals who lost Medicaid, Children’s Health Insurance Program (CHIP) coverage, or, if applicable, Basic Health Program (BHP) coverage due to unwinding of the Medicaid continuous enrollment condition<sup>6</sup> in 2024,<sup>7</sup> the ending of the Special Enrollment Period (SEP) for consumers with incomes below 150% of the Federal Poverty Level in August 2025,<sup>8</sup> and the continuation of the increased Marketplace Premium Tax Credit (PTC) subsidies first established by the American Rescue Plan Act of 2021 (ARP)<sup>9</sup> and extended through December 31, 2025 by the Inflation Reduction Act (IRA) of 2022 for eligible qualified individuals in all Marketplaces.<sup>10</sup>

Interested parties should be aware of these considerations while reviewing the interim results and using them, in addition to other sources, for rate-setting. We have seen an increase in enrollment, including billable member months, and total premiums in the interim 2025 benefit year individual market data when compared to final 2024 benefit year data. These changes may also impact the relationship between interim and final risk adjustment data for the 2025 benefit year relative to past years. We provide this additional context so that, upon reviewing interim results, interested parties can consider the impact of the unique market dynamics created by policies specific to the 2025 benefit year, including continued access to enhanced Marketplace PTC subsidies and the return to normal Medicaid redetermination operations.

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<sup>6</sup> As a condition of receiving a temporary Federal Medical Assistance Percentage (FMAP) increase under section 6008 of the Families First Coronavirus Response Act (FFCRA), States were required to maintain the enrollment of nearly all Medicaid enrollees. This “continuous enrollment condition” expired on March 31, 2023, under amendments made by the Consolidated Appropriations Act, 2023. See CMS, Center for Medicaid & CHIP Services, State Health Official Letter #23-002, RE: Medicaid Continuous Enrollment Condition Changes, Conditions for Receiving the FFCRA Temporary FMAP Increase, Reporting Requirements, and Enforcement Provisions in the Consolidated Appropriations Act, 2023 (Jan. 27, 2023), available at <https://www.medicaid.gov/sites/default/files/2023-08/sho23002.pdf>.

<sup>7</sup> Consumers could access the Unwinding SEP between March 31, 2023, and November 30, 2024. See <https://www.medicaid.gov/resources-for-states/downloads/extn-sep-cnsmrs-lsg-chip-cvrg-adndm-faq.pdf>.

<sup>8</sup> See Marketplace Integrity and Affordability; 90 FR 27074 at 27140 through 27148 (June 25, 2025), available at <https://www.federalregister.gov/documents/2025/06/25/2025-11606/patient-protection-and-affordable-care-act-marketplace-integrity-and-affordability>.

<sup>9</sup> See the American Rescue Plan Act of 2021; Public Law 117-2 (March 11, 2021), available at: <https://www.congress.gov/117/plaws/publ2/PLAW-117publ2.pdf>.

<sup>10</sup> See the Inflation Reduction Act of 2022; Public Law 117-169 (August 16, 2022), available at: <https://www.congress.gov/117/plaws/publ169/PLAW-117publ169.pdf>.

**Table 1. Percent Change in Select Risk Adjustment Variables, 2024 Final to 2025 Interim<sup>11,12</sup>**

	INDIVIDUAL MARKET		SMALL GROUP MARKET	
	Mean	Standard Deviation	Mean	Standard Deviation
Plan Liability Risk Score	-9.9%	3.2%	-8.1%	3.0%
Billable Member Months	4.0%	7.1%	-7.8%	6.1%
Monthly Premiums	3.3%	5.2%	7.2%	2.7%
Age Rating Factor	-0.8%	0.8%	0.0%	0.3%
Actuarial Value	0.1%	0.8%	0.1%	0.4%

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<sup>11</sup> Percent change in risk score is calculated based on unadjusted risk scores. Mean percent changes are weighted by billable member months.

<sup>12</sup> Table 1 excludes the Massachusetts and Maine merged markets for this analysis. For benefit year 2025, Massachusetts and Maine are treated as having a merged markets for the purposes of the HHS-operated risk adjustment program. See [https://regtap.cms.gov/reg\\_librarye.php?i=4273](https://regtap.cms.gov/reg_librarye.php?i=4273).

#### IV. HHS-operated Risk Adjustment Program State-specific Data

Included in Table 2 are the key elements of the risk adjustment state payment transfer formula for states that met the credibility requirements.

**Table 2. Description of Risk Adjustment Data**

DATA ELEMENT	DESCRIPTION
<b>State Average Monthly Premium</b>	The state average premium for a state market risk pool is the weighted average monthly premium for the state market risk pool, weighted by plan share of statewide enrollment in the state market risk pool. A 14% administrative cost adjustment is applied to the state average monthly premium. This value is used in the state payment transfer formula calculations of risk adjustment payments and charges.
<b>State Average Monthly Premium Before Adjustment</b>	The state average premium for a state market risk pool is the weighted average monthly premium for the state market risk pool, weighted by plan share of statewide enrollment in the state market risk pool before the 14% administrative cost adjustment is applied. This value is for informational purposes only and is not used in the calculation of risk adjustment payments and charges.
<b>State Average Plan Liability Risk Score (PLRS)</b>	The state average PLRS is calculated as the summed products of PLRS and billable member months for all plans within the state market risk pool divided by total billable months for all plans within the state market risk pool.
<b>State Average Allowable Rating Factor (ARF)</b>	The state average ARF is calculated as the summed products of ARF and billable member months for the plans within the state market risk pool divided by total billable member months for all plans in the state market risk pool.
<b>State Average Actuarial Value (AV)</b>	<p>The state average AV is calculated as the summed products of AV and billable member months for the plans within the state market risk pool divided by the total billable member months within the state market risk pool. AV corresponds with metal and catastrophic tiers as follows:</p> <ul style="list-style-type: none"> <li>• Catastrophic: 0.57</li> <li>• Bronze: 0.60</li> <li>• Silver: 0.70</li> <li>• Gold: 0.80</li> <li>• Platinum: 0.90</li> </ul>
<b>State Average Induced Demand Factor (IDF)</b>	<p>The state average IDF is calculated as the summed products of IDF and billable member months for the plans within the state market risk pool divided by the total billable member months within the state market risk pool. IDF corresponds with metal and catastrophic tiers as follows:</p> <ul style="list-style-type: none"> <li>• Catastrophic: 1.00</li> <li>• Bronze: 1.00</li> <li>• Silver: 1.03</li> <li>• Gold: 1.08</li> <li>• Platinum: 1.15</li> </ul>
<b>Billable Member Months</b>	Billable member months are the member months of an individual or family policy that are included when setting the policy's premium rate.

**Table 3. Interim Risk Adjustment State Averages with State Billable Member Months<sup>13</sup>**

Table 3 below is provided in Excel format as a separate link, titled Appendix A.

State	Risk Pool	Statewide Average Premium	Statewide Average Premium Before Adjustment	State Average Plan Liability Risk Score	State Allowable Rating Factor	State Average Actuarial Value	State Induced Demand Factor	State Billable Member Months
AK	Individual	\$949.74	\$1,104.35	1.153	1.582	0.708	1.042	299,156.9
	Small Group	\$956.90	\$1,112.67	1.028	1.479	0.747	1.057	122,268.3
AL	Individual	\$554.13	\$644.34	1.472	1.586	0.676	1.023	5,277,418.7
	Catastrophic	\$220.47	\$256.36	1.153	1.077	0.570	1.000	11,188.8
	Small Group	\$487.84	\$567.26	1.196	1.513	0.776	1.073	2,191,108.9
AR	Individual	\$493.52	\$573.87	1.519	1.528	0.690	1.028	4,131,015.3
	Small Group	\$446.01	\$518.62	1.065	1.453	0.785	1.076	725,864.5
AZ	Individual	\$451.47	\$524.97	1.226	1.630	0.669	1.022	4,459,766.5
	Catastrophic	\$198.72	\$231.07	0.276	1.016	0.570	1.000	1,962.5
	Small Group	\$518.79	\$603.24	1.020	1.450	0.745	1.058	1,258,658.0
CA	Individual	\$593.73	\$690.38	1.041	1.647	0.694	1.032	28,032,000.8
	Catastrophic	\$213.44	\$248.19	0.291	0.973	0.570	1.000	226,225.4
	Small Group	\$578.66	\$672.87	0.967	1.429	0.781	1.078	23,617,287.1
CO	Individual	\$482.64	\$561.20	1.169	1.630	0.695	1.034	3,794,197.3
	Catastrophic	\$197.27	\$229.38	0.337	0.993	0.570	1.000	29,270.6
	Small Group	\$572.74	\$665.97	1.025	1.405	0.747	1.058	2,074,334.0
CT	Individual	\$772.04	\$897.72	1.323	1.743	0.688	1.029	1,907,028.0
	Catastrophic	\$223.00	\$259.30	0.337	1.015	0.570	1.000	18,465.7
	Small Group	\$757.34	\$880.63	1.242	1.523	0.767	1.068	811,150.6
DC	Individual	\$648.29	\$753.82	1.211	1.174	0.733	1.056	166,263.2
	Catastrophic	\$190.85	\$221.91	0.202	0.736	0.570	1.000	3,466.3
	Small Group	\$617.82	\$718.40	1.015	1.042	0.812	1.094	999,026.0
FL	Individual	\$553.02	\$643.04	1.207	1.560	0.676	1.024	53,189,895.6
	Catastrophic	\$233.86	\$271.93	0.529	1.137	0.570	1.000	18,248.3
	Small Group	\$632.36	\$735.30	1.221	1.499	0.775	1.073	3,611,076.7
GA	Individual	\$530.81	\$617.22	1.417	1.553	0.683	1.027	15,704,754.8
	Catastrophic	\$255.82	\$297.46	0.549	0.998	0.570	1.000	16,043.8
	Small Group	\$841.82	\$978.86	1.386	1.466	0.765	1.067	385,563.3
HI	Individual	\$616.08	\$716.37	1.089	1.725	0.748	1.064	414,268.1

<sup>13</sup> States with no breakout for catastrophic risk pool did not have issuers offering risk adjustment covered plans in the catastrophic risk pool in the 2025 benefit year.

State	Risk Pool	Statewide Average Premium	Statewide Average Premium Before Adjustment	State Average Plan Liability Risk Score	State Allowable Rating Factor	State Average Actuarial Value	State Induced Demand Factor	State Billable Member Months
	Catastrophic	\$170.70	\$198.49	0.176	0.990	0.570	1.000	4,252.7
	Small Group	\$511.15	\$594.37	1.124	1.532	0.898	1.149	545,255.0
IA	Individual	\$475.03	\$552.36	1.222	1.728	0.694	1.034	1,518,254.0
	Catastrophic	\$178.24	\$207.26	0.224	1.008	0.570	1.000	712.2
	Small Group	\$465.34	\$541.09	1.009	1.426	0.725	1.047	1,055,024.2
ID	Individual	\$418.17	\$486.25	1.015	1.527	0.664	1.022	1,420,403.1
	Catastrophic	\$173.19	\$201.38	0.319	0.973	0.570	1.000	3,639.9
	Small Group	\$441.12	\$512.93	0.898	1.379	0.737	1.052	933,366.6
IL	Individual	\$586.08	\$681.49	1.228	1.672	0.673	1.024	5,570,505.7
	Catastrophic	\$329.55	\$383.20	0.764	0.996	0.570	1.000	8,470.4
	Small Group	\$605.05	\$703.54	1.150	1.467	0.800	1.086	4,712,166.4
IN	Individual	\$432.11	\$502.45	1.265	1.630	0.672	1.022	3,796,433.8
	Small Group	\$719.98	\$837.19	1.263	1.499	0.761	1.063	567,886.6
KS	Individual	\$552.82	\$642.82	1.489	1.592	0.678	1.026	2,281,947.9
	Catastrophic	\$269.50	\$313.37	0.234	1.217	0.570	1.000	1,221.0
	Small Group	\$573.51	\$666.88	1.145	1.447	0.770	1.071	622,493.8
KY	Individual	\$550.17	\$639.73	1.597	1.719	0.680	1.026	1,151,862.6
	Catastrophic	\$223.25	\$259.59	0.299	0.995	0.570	1.000	7,003.0
	Small Group	\$785.29	\$913.13	1.554	1.474	0.772	1.069	178,103.8
LA	Individual	\$548.33	\$637.59	1.225	1.609	0.664	1.020	3,523,003.3
	Small Group	\$581.77	\$676.47	1.218	1.471	0.778	1.073	1,291,846.3
MA	Merged	\$544.15	\$632.74	1.039	1.530	0.716	1.040	8,433,961.2
	Catastrophic	\$316.63	\$368.18	0.270	1.186	0.570	1.000	6,876.9
MD	Individual	\$420.48	\$488.93	1.281	1.658	0.728	1.049	3,397,385.1
	Catastrophic	\$121.27	\$141.02	0.279	0.972	0.570	1.000	35,367.4
	Small Group	\$546.57	\$635.55	1.028	1.482	0.759	1.063	2,424,691.8
ME	Merged	\$620.01	\$720.94	1.089	1.670	0.680	1.027	1,263,571.2
	Catastrophic	\$211.20	\$245.58	0.308	1.013	0.570	1.000	8,159.2
MI	Individual	\$462.60	\$537.90	1.223	1.659	0.666	1.021	6,356,741.0
	Catastrophic	\$213.58	\$248.35	0.549	1.006	0.570	1.000	27,620.1
	Small Group	\$456.36	\$530.65	1.051	1.437	0.791	1.080	4,822,832.5
MN	Individual	\$452.89	\$526.62	1.118	1.747	0.673	1.026	2,302,082.0
	Catastrophic	\$144.94	\$168.53	0.648	1.023	0.570	1.000	50,130.2
	Small Group	\$571.66	\$664.72	1.083	1.477	0.757	1.063	2,092,097.2
MO	Individual	\$529.52	\$615.72	1.379	1.644	0.674	1.024	4,375,690.7

State	Risk Pool	Statewide Average Premium	Statewide Average Premium Before Adjustment	State Average Plan Liability Risk Score	State Allowable Rating Factor	State Average Actuarial Value	State Induced Demand Factor	State Billable Member Months
	Catastrophic	\$189.48	\$220.33	0.392	0.980	0.570	1.000	8,965.8
	Small Group	\$649.49	\$755.22	1.364	1.475	0.765	1.068	564,753.2
MS	Individual	\$514.50	\$598.25	1.453	1.552	0.684	1.026	3,515,540.2
	Small Group	\$390.92	\$454.56	0.977	1.377	0.790	1.078	594,936.5
MT	Individual	\$545.26	\$634.03	1.004	1.611	0.649	1.017	942,213.8
	Catastrophic	\$204.11	\$237.33	0.383	0.999	0.570	1.000	3,107.1
	Small Group	\$525.88	\$611.49	0.930	1.408	0.740	1.056	507,247.4
NC	Individual	\$544.36	\$632.97	1.169	1.628	0.663	1.021	9,739,013.5
	Catastrophic	\$229.43	\$266.78	0.265	1.048	0.570	1.000	744.1
	Small Group	\$541.47	\$629.62	1.034	1.492	0.762	1.065	2,277,031.5
ND	Individual	\$515.77	\$599.73	1.148	1.531	0.696	1.036	638,223.2
	Catastrophic	\$158.09	\$183.82	0.284	0.993	0.570	1.000	12,085.5
	Small Group	\$537.26	\$624.72	1.068	1.359	0.818	1.097	553,088.3
NE	Individual	\$590.35	\$686.46	1.191	1.541	0.658	1.020	1,601,686.1
	Catastrophic	\$296.97	\$345.32	0.314	1.033	0.570	1.000	261.1
	Small Group	\$649.31	\$755.01	1.145	1.433	0.730	1.049	225,197.5
NH	Individual	\$403.21	\$468.85	1.201	1.719	0.694	1.034	933,025.3
	Catastrophic	\$165.33	\$192.24	0.458	1.017	0.570	1.000	5,942.8
	Small Group	\$574.49	\$668.01	1.009	1.499	0.735	1.049	666,735.7
NJ	Individual	\$577.15	\$671.11	1.136	1.648	0.687	1.026	6,550,784.1
	Catastrophic	\$253.21	\$294.44	0.356	0.999	0.570	1.000	13,977.1
	Small Group	\$758.03	\$881.43	1.256	1.498	0.758	1.063	2,161,208.6
NM	Individual	\$549.90	\$639.41	1.408	1.747	0.761	1.061	956,617.5
	Small Group	\$628.98	\$731.37	1.122	1.484	0.791	1.081	434,481.6
NV	Individual	\$486.40	\$565.58	1.204	1.668	0.670	1.022	1,446,577.2
	Catastrophic	\$217.99	\$253.48	0.263	0.993	0.570	1.000	4,248.6
	Small Group	\$514.94	\$598.77	1.003	1.425	0.754	1.060	797,129.6
NY	Individual	\$726.62	\$844.90	1.332	0.984	0.676	1.029	2,760,514.8
	Catastrophic	\$269.91	\$313.85	0.235	0.997	0.570	1.000	34,883.4
	Small Group	\$892.32	\$1,037.58	1.403	0.977	0.761	1.067	7,254,040.0
OH	Individual	\$500.23	\$581.66	1.348	1.675	0.663	1.020	6,300,750.4
	Catastrophic	\$194.75	\$226.45	0.438	1.019	0.570	1.000	26,345.8
OK	Individual	\$526.58	\$612.30	1.395	1.576	0.672	1.024	3,334,182.6
	Catastrophic	\$206.96	\$240.66	0.258	0.995	0.570	1.000	2,511.7
	Small Group	\$475.57	\$552.99	1.176	1.472	0.786	1.080	1,795,717.9

State	Risk Pool	Statewide Average Premium	Statewide Average Premium Before Adjustment	State Average Plan Liability Risk Score	State Allowable Rating Factor	State Average Actuarial Value	State Induced Demand Factor	State Billable Member Months
OR	Individual	\$584.24	\$679.35	1.180	1.723	0.673	1.026	1,828,441.1
	Small Group	\$527.07	\$612.87	0.985	1.432	0.773	1.071	1,824,913.9
PA	Individual	\$548.43	\$637.71	1.295	1.728	0.722	1.046	6,800,848.3
	Catastrophic	\$217.03	\$252.36	0.342	1.028	0.570	1.000	13,962.4
	Small Group	\$544.56	\$633.21	1.132	1.496	0.777	1.072	4,321,280.1
RI	Individual	\$498.52	\$579.67	1.232	1.679	0.725	1.047	666,690.6
	Small Group	\$580.77	\$675.32	1.185	1.519	0.803	1.087	516,206.8
SC	Individual	\$489.82	\$569.56	1.232	1.590	0.653	1.017	7,250,082.8
	Catastrophic	\$186.75	\$217.15	0.412	1.072	0.570	1.000	30,549.0
	Small Group	\$679.06	\$789.61	1.079	1.468	0.748	1.056	464,914.4
SD	Individual	\$593.29	\$689.87	1.131	1.545	0.659	1.020	640,618.5
	Catastrophic	\$227.60	\$264.65	0.369	0.958	0.570	1.000	4,914.0
	Small Group	\$522.24	\$607.25	1.011	1.402	0.700	1.036	382,422.3
TN	Individual	\$544.86	\$633.56	1.460	1.615	0.667	1.021	6,512,815.4
	Catastrophic	\$274.90	\$319.65	0.727	1.116	0.570	1.000	2,493.8
	Small Group	\$517.81	\$602.10	1.130	1.481	0.753	1.063	1,454,538.7
TX	Individual	\$482.52	\$561.07	1.200	1.504	0.715	1.041	45,405,420.3
	Catastrophic	\$269.53	\$313.41	0.827	1.075	0.570	1.000	22,956.3
	Small Group	\$638.10	\$741.97	1.228	1.456	0.761	1.065	6,268,344.3
UT	Individual	\$450.18	\$523.47	1.004	1.481	0.668	1.021	4,752,395.0
	Small Group	\$421.17	\$489.73	0.964	1.435	0.740	1.053	1,386,352.3
VA	Individual	\$422.31	\$491.06	1.175	1.649	0.696	1.036	4,702,382.7
	Catastrophic	\$159.01	\$184.89	0.376	0.996	0.570	1.000	24,109.0
	Small Group	\$580.94	\$675.52	1.124	1.465	0.787	1.079	3,075,321.0
VT	Individual	\$945.78	\$1,099.75	1.240	0.987	0.729	1.051	418,539.0
	Catastrophic	\$334.02	\$388.39	0.311	0.998	0.570	1.000	2,091.1
	Small Group	\$829.38	\$964.40	1.189	0.978	0.749	1.061	362,872.9
WA	Individual	\$544.53	\$633.18	1.194	1.714	0.684	1.029	3,524,533.4
	Catastrophic	\$200.19	\$232.78	0.301	0.984	0.570	1.000	5,540.8
	Small Group	\$559.26	\$650.31	1.066	1.479	0.769	1.069	2,328,342.5
WI	Individual	\$581.36	\$676.00	1.250	1.813	0.662	1.021	3,742,534.8
	Catastrophic	\$199.76	\$232.27	0.289	1.022	0.570	1.000	16,122.5
	Small Group	\$612.23	\$711.89	1.117	1.446	0.781	1.076	1,043,326.2
WV	Individual	\$1,002.47	\$1,165.66	1.636	1.738	0.684	1.030	721,339.4
	Catastrophic	\$348.32	\$405.03	2.586	0.999	0.570	1.000	707.0

State	Risk Pool	Statewide Average Premium	Statewide Average Premium Before Adjustment	State Average Plan Liability Risk Score	State Allowable Rating Factor	State Average Actuarial Value	State Induced Demand Factor	State Billable Member Months
	Small Group	\$774.79	\$900.92	1.232	1.500	0.759	1.063	173,643.1
WY	Individual	\$862.86	\$1,003.32	1.288	1.599	0.729	1.049	553,288.0
	Small Group	\$743.34	\$864.35	1.018	1.406	0.761	1.064	86,753.6

## **V. HHS-operated Risk Adjustment Geographic Cost Factor (GCF) – Appendix B**

The purpose of the geographic cost factor (GCF) adjustment is to remove differences in premium caused by allowable geographic rating variations. GCFs are calculated for each rating area established by the state under 45 CFR § 147.102(b).

The GCFs are calculated based on the observed average silver plan premium for the metal-level risk pool (calculated separately for individual and small group if the state does not have a merged market) or catastrophic plan premium for the catastrophic risk pool, in a geographic area relative to the statewide average silver or catastrophic plan premium. Calculation of the GCF involves three steps. First, the average premium is computed for each silver or catastrophic plan, as applicable, in each rating area (using the same formula that is used to compute plan premiums in the statewide average premium calculation). The second step is to generate a set of plan average premiums that standardizes the premiums for age rating. Plan premiums are standardized for age by dividing the average plan premium by the plan rating factor (calculated at the rating area level), the enrollment-weighted rating factor applied to all billable members. Lastly, a GCF is computed for each rating area. The GCF is simply the ratio of the enrollment-weighted average age-standardized premium revenue for a rating area to the overall statewide enrollment-weighted average age-standardized premium revenue for all silver plans. The enrollment-weighted statewide average of plan GCF values will equal 1.0, so the GCF can be interpreted as the percentage by which any geographic area's costs deviate from the state average.<sup>14</sup>

Appendix B is provided in Excel format as a separate link.

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<sup>14</sup> A GCF of zero indicates no silver plans in the rating area. In final risk adjustment calculations, a GCF of zero will have an imputed value of one.