DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201

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From: Center for Consumer Information and Insurance Oversight (CCIIO)
Centers for Medicare & Medicaid Services (CMS)

Subject: **Evaluation of EDGE Data Submissions for the 2025 Benefit Year**

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I. Purpose

The Centers for Medicare & Medicaid Services (CMS) issues annual guidance describing the thresholds it will use under 45 CFR § 153.710(g) to evaluate the sufficiency of EDGE server data for a given benefit year, including the format and timeline for baseline data submission.[1] In this bulletin, we describe the operational processes and metrics for when and how CMS intends to evaluate the sufficiency of data in terms of the "quantity" and "quality" of an issuer's EDGE server data submissions for benefit year (BY) 2025.[2]

CMS uses this evaluation to determine (1) states that will be included in the BY 2025 interim summary risk adjustment report to be published in March 2026, (2) issuers that will receive BY 2025 interim risk adjustment transfer reports, (3) issuers that will be included in the BY 2025 final risk adjustment transfer calculations or be assessed a default risk adjustment charge in a state market risk pool, and (4) issuers that will receive BY 2025 high-cost risk pool (HCRP) payments and charges. **Notwithstanding the process described below, each issuer remains responsible for ensuring the completeness and accuracy of BY 2025 data submitted and accepted to its EDGE server by the final data submission deadline at 4:00 p.m. EDT on Thursday, April 30, 2026.[3]**

II. Background

The integrity of total HHS-operated risk adjustment transfers, including HCRP payments and charges, depends upon the completeness and accuracy of data submitted by issuers to their EDGE servers. For example, insufficient EDGE server data submission for one issuer can materially affect the risk adjustment state transfers for all other issuers in a state market risk pool.

Under 45 CFR §§ 153.710(g) and 153.740(b), if an issuer of a risk adjustment covered plan[4] fails to establish an EDGE server, fails to submit sufficient data, or fails to provide HHS with access to the required data on the EDGE server, such that CMS cannot apply the applicable federally-certified risk adjustment methodology, a default risk adjustment charge will be assessed. Issuers are required to meet sufficient quantity and quality for enrollment and claims data submitted to their EDGE servers.[5] CMS will evaluate data on an EDGE server for sufficient quantity and quality throughout the data submission process, including while conducting analysis for the interim summary risk adjustment report. If all issuers in a state submit sufficient data for all state

[1] See the HHS Notice of Benefit and Payment Parameters for 2017; Final Rule, 81 FR 12204 at 12234-12235 (March 8, 2016) ("the 2017 Payment Notice"). 45 CFR 153.710(f) was redesignated to 45 CFR 153.710(g). See the HHS Notice Benefit and Payment Parameters for 2022; Final Rule; 86 FR 24140 at 24195 (May 5, 2021).
[2] For the 2025 benefit year, HHS operates risk adjustment in all 50 states and the District of Columbia. See the HHS Notice of Benefit and Payment Parameters for 2025; Final Rule; 89 FR 26218at 26426
(April 15, 2024).
[3] 45 CFR § 153.730.
[4] See 45 CFR § 153.20 for the definition of "risk adjustment covered plan".
[5] See 45 CFR § 153.710(g)(1) and (g)(2).

markets by January 8, 2026, CMS will calculate and provide interim transfer estimates for all issuers in the state.

Interim Risk Adjustment Report

The BY 2025 interim summary risk adjustment report will be published in March 2026. For a state to be included in this public report, all credible issuers must meet the applicable thresholds for both the quantity and quality evaluations. An issuer is considered credible in a state if it has 0.5% or more of market share in one state market risk pool. CMS will use an issuer's EDGE server data as of January 8, 2026 to complete these data evaluations.

Final Risk Adjustment Report

The BY 2025 final summary risk adjustment report will be published by June 30, 2026. Any issuer not meeting sufficient data quantity or quality thresholds will be assessed a default risk adjustment charge and may forgo HCRP payments it may otherwise have been eligible to receive.[6] When all issuers meet data sufficiency requirements, CMS is able to provide reliable state average and issuer-specific risk scores and thus, ensure the integrity of final total risk adjustment transfers. For BY 2025, if CMS discovers that an issuer submitted materially incorrect EDGE data after the calculation of final risk adjustment transfers, CMS will adjust the issuer's total risk adjustment transfers to make other issuers in the state market risk pool whole. For more information about how CMS will adjust BY 2025 transfers in response to materially incorrect EDGE data, please refer to Section VII.

III. Data Quantity Evaluation Process

CMS compares issuer self-reported baseline data to the issuer's EDGE data to determine data quantity sufficiency for enrollment and claims data for a given benefit year. For BY 2025, CMS will continue to use a 90% enrollment data and 90% claims data (non-orphan medical and pharmacy claims) by state market threshold for an issuer to meet data quantity sufficiency. **CMS measures the threshold for markets (individual[7] and small group) separately**, thus requiring the submission of 90% of enrollment data and 90% of non-orphan claims (medical claims and pharmacy claims) by state market to meet data quantity requirements.[8]

CMS will complete data quantity evaluations throughout the data submission window for BY 2025, which ends at **4:00 p.m. EDT on Thursday, April 30, 2026**. After each data submission deadline discussed below and until data quantity sufficiency is met, CMS will notify all CEO Designates and Alternate CEO Designates by email of their data quantity status, the potential implications of failing to meet data quantity sufficiency, and possible resolutions to mitigate data insufficiencies. As issuers are responsible for ensuring the accuracy and completeness of their

[6] If an issuer fails the data quality analysis and is assessed a default charge under 45 CFR § 153.740(b) on that basis, CMS will perform additional data quality metrics (described below) to determine the issuer's eligibility for HCRP payments. See the HHS Notice of Benefit and Payment Parameters for 2018; Amendments to Special Enrollment Periods and the Consumer Operated and Oriented Plan Program; Final Rule; 81 FR 94058 at 94081 (December 22, 2016).

[7] For purposes of identifying outliers and creating these group sizes by market, catastrophic plans are treated as part of the individual market except for risk score and premium-related metrics.

[8] For BY 2025, Massachusetts and Maine are treated as having a merged market for purposes of the HHS-operated risk adjustment program. See https://regtap.cms.gov/reg_librarye.php?i=4273. For purposes of the quantity assessments, these states are treated as their own markets, separate and distinct from the individual and small group markets.

respective data submissions, all issuers should monitor the status of the quantity thresholds for their data under the Quantity and Quality tab of the Financial Management (FM) Community at https://ccrms-rari.force.com/financialmanagement/.

CMS will use issuers' data as of January 8, 2026, to determine states' eligibility for interim risk adjustment transfer estimates and the interim summary risk adjustment report. If an issuer in a state fails to meet data quantity sufficiency, the issuer will not be eligible for interim risk adjustment transfer estimates. If such issuer(s) exceeds 0.5% of market share for the state market risk pool as determined by number of enrollees covered, CMS will not consider the state to be credible and will not include the state in the BY 2025 interim summary risk adjustment report. In such circumstances, the state will only be included in the BY 2025 final risk adjustment summary report that CMS will provide by June 30, 2026.

After the final data submission deadline, an issuer of a risk adjustment covered plan that fails to meet data quantity sufficiency will be subject to a default risk adjustment charge,[9] if the default charge is a smaller charge than the issuer would have received otherwise.

- If an issuer has low enrollment completion (defined as less than 90%), the issuer will be subject to a default risk adjustment charge if the default charge is smaller than the charge it would have otherwise received.
- If an issuer has low medical or pharmacy claims completion (less than 90%) within a state market risk pool, then the issuer will be subject to a default risk adjustment charge if the default charge is smaller than the charge it would have otherwise received.
- Issuers that receive a default risk adjustment charge for not meeting data sufficiency will not be assessed an HCRP charge unless they are determined to be eligible for HCRP payments.[10]

CMS conducts data quantity evaluations across all issuers after receiving the summary EDGE server data from the weekly EDGE server command execution. For BY 2025, there are four ongoing data quantity evaluations and one final data quantity evaluation using an issuer's most recent data available at each data submission deadline:[11] *October 16, 2025, November 20, 2025, January 8, 2026, February 19, 2026 and April 30, 2026*. Please refer to Section IX for further details about each data submission deadline.

How to Remedy a Data Quantity Issue

An issuer that fails to meet data quantity sufficiency can take the following actions at any time before the *4:00 p.m. EDT April 30, 2026,* final data submission deadline:

- Correct or add additional data on their EDGE server, and/or
- Correct and resubmit baseline enrollment or claims data (see below Section VIII).

If you encounter any technical problems submitting corrected enrollment and claims data to your EDGE server, please contact the Financial Management Coordination Center (FMCC) at **edge_server_data@cms.hhs.gov**.

[9] See 45 CFR §§ 153.710(g) and 153.740(b).

[10] Issuers who do not meet data quantity sufficiency will move to the data quality metrics to determine eligibility for HCRP payments.

[11] For additional information, please see 2025 Benefit Year EDGE Server Key Milestone, Command Deployment, and Plan Data Submission Dates at the following link: https://regtap.cms.gov/reg_librarye.php?i=5846.

IV. Data Quality Evaluation Process

CMS will generally assess issuers' data quality sufficiency throughout the BY 2025 data submission window using the process and metrics set forth in the *Data Quality Evaluation Metrics* table below to determine data sufficiency for inclusion in the interim summary risk adjustment public report and interim risk adjustment transfer estimates and final risk adjustment transfer calculations. For information on CMS's data quality evaluation of good faith submissions for enrollment data elements, which do not impact risk adjustment transfer calculations, see *Appendix B: Data Quality Evaluation Process for EDGE Enrollment Data Elements*.

Data Quality Evaluation Metrics	
Area	**Key Metrics**
EDGE Claims/Enrollment	Average number of medical claims per enrollee
	Percent of enrollees without claims
	Percent of medical claims that are institutional claims
	Average number of pharmacy claims per enrollee
	Enrollment for on-Exchange Plans on EDGE compared to other various Enrollment data sources
	Premium data comparison between EDGE and other sources
	Paid claims amount as percentage of allowed claims amount
Risk Adjustment[12]	Historical EDGE average premium per member per month
	Percent of all enrollees with at least one Hierarchical Condition Category (HCC)
	Average number of conditions per enrollee with at least one HCC
	Issuer average risk score
	Average number of diagnosis codes per medical claim
	Percent of all enrollees with at least one Prescription Drug Category (RXC)
	Percent of pharmacy claims that result in RXCs
	High Average Risk Score/Low Average Paid Claims Cost
	Low Average Risk Score/High Average Paid Claims Cost
High-Cost Risk Pool[13]	Percent Paid Claims from HCRP payment enrollees
	Average HCRP payment per HCRP payment enrollee
State-Based Reinsurance (SRI)[14]	Percent Paid Claims from SRI payment enrollees
	Average SRI payment per SRI payment enrollees

[12] Risk adjustment premium metrics will also be applicable to the HCRP evaluation metrics.

[13] If an issuer has not met data quantity sufficiency and is subject to the default risk adjustment charge, CMS will evaluate the issuer's data quality using metrics in the above chart, including but not limited to the HCRP metrics, to evaluate the issuers' premiums and claims submissions and to determine the issuer's eligibility for HCRP payments and charges. If determined eligible for HCRP payments, the issuer will also owe an HCRP charge. If the issuer receives a default risk adjustment charge and is not eligible for HCRP payments, then the issuer will not owe an HCRP charge.

[14] These metrics will only apply to issuers in a state market where CMS is providing data to the state in support of an SRI program approved under a Section 1332 State Innovation Waiver. For BY 2025, SRI metrics are only applicable for Colorado, Delaware, Georgia, Maryland, New Hampshire, North Dakota, Pennsylvania, and Virginia issuers. Issuers in states with SRI programs under approved Section 1332 State Innovation Waiver are subject to the specified SRI metrics in addition to the other quantity and quality metrics outlined in this guidance.

Data Quality Evaluation Metrics	
Area	**Key Metrics**
	Percent of enrollees receiving SRI payment

CMS will identify outliers for most metrics using the following process:

- Issuers will be divided into three group sizes by market:[15,16] issuers with fewer than 500 enrollees, issuers with greater than or equal to 500 enrollees but fewer than 7,500 enrollees, and issuers with 7,500 or more enrollees.[17]
- A national distribution by market for all metrics and combinations of metrics to identify interactions will be used for each group size.
- A technical committee composed of actuaries and risk adjustment experts will establish outlier thresholds for those distributions.
- The technical committee will consider justifications from issuers identified as outliers.

Interim Risk Adjustment Report

For a state's inclusion in the BY 2025 interim summary risk adjustment public report, the technical committee will consider justifications received from identified data quality outliers beginning in November 2025 through January 2026. All issuers' quality outliers must be resolved by January 8, 2026 for issuer to receive interim risk adjustment transfer estimates. If an issuer in a state fails to provide an acceptable justification within 10 calendar days of the outlier notification, or the outlier involves an unresolved data error, CMS will not provide interim summary risk adjustment transfer estimates for all issuers in the state. If such issuer(s) exceeds 0.5% of market share for the state market risk pool, CMS will not consider the state to be credible and will not include any issuers in the state in the BY 2025 interim summary risk adjustment public report.[18] In such circumstances, the state will only be included in the final risk adjustment summary report that CMS will provide by June 30, 2026.

Final Risk Adjustment Report

CMS will generally conduct ongoing and final data quality evaluations on data submitted between October 2025, and April 2026 to determine data quality sufficiency for inclusion in the BY 2025 risk adjustment transfer and HCRP calculations. CMS will send outlier notifications to inform applicable issuers that they have been identified as a potential quality outlier. The notification will include a link to complete the "EDGE Server Data Quality Outlier Justification Submission Web Form" and indicate the issuer's response timeframe. After receiving the notification, issuers must take the following actions:

- Complete the "EDGE Server Data Quality Outlier Justification Submission Web Form" within 10 calendar days of receiving outlier notification by either submitting a suitable

[15] See supra note 7.

[16] While the Massachusetts and Maine merged markets are generally treated as separate markets in the HHS-operated risk adjustment program (see supra note 8), because too few merged market states exist to provide adequate national distributions for calculating quality metrics, issuers in such states are separated into individual and small group markets for the sole purpose of identifying outliers.

[17] As part of CMS's regular review of this guidance, beginning with BY 2022, CMS revised issuer size thresholds to improve issuer and enrollment distributions used in the identification of outliers. The revised issuer size thresholds will continue to be applied for BY 2025.

[19] See Section VII for information about how CMS will adjust BY 2025 transfers in response to materially incorrect EDGE data submissions.

justification for the relevant data anomalies or by providing a date by which any data issues will be resolved. Justifications should include relevant detail and actuarial data as necessary to prove the issuer's case with respect to the metric(s) in which the issuer was identified as an outlier. CMS recommends that issuers submit their explanations early to allow time for additional clarification or revised explanations.

- Update or correct the data stored on their EDGE server(s) by the date agreed upon with CMS, if the outlier analysis indicates a data error.

CMS will generally conduct data quality evaluations across all issuers after CMS receives the summary EDGE server data from the weekly EDGE server command execution. There are five data submission deadlines: *October 16, 2025, November 20, 2025, January 8, 2026, February 19, 2026 and April 30, 2026.* Ongoing data quality evaluations between the deadlines occur using an issuer's most recent data so that an issuer may resolve data quality concerns by the next data submission deadline. Please refer to Section IX for further details about each data submission deadline.

CMS does not expect that many issuers will be identified as outliers for the first time during the final data quality evaluation following the **April 30, 2026** final data submission deadline. However, this may occur if, for example, an issuer truncates data, replaces a large percentage of their EDGE data, or uploads a large amount of new EDGE data just before the final data submission deadline. If an issuer's data is identified as an outlier in any of the metrics above after April 30, 2026, and that issuer does not have a previously accepted justification for the outlier, CMS will provide a final opportunity for the issuer to submit a justification and will also require the issuer to attest to the accuracy of its data. However, the issuer will not be permitted to correct data errors or submit new data to its EDGE server at that time except as specified in Section VII.

Below are the consequences if CMS's technical committee determines that the outlier justification is **not acceptable**:

- If the issuer is identified as having a "low side" data quality outlier, such as only submitting one diagnosis per claim or failing to correct claims data, then the issuer will receive a default risk adjustment charge if the default charge is smaller than the charge it would have otherwise received.
- If the issuer is identified as having a "high side" data quality outlier or having a premium outlier that is "low" or "high," then the issuer will be subject to the default risk adjustment charge, or other appropriate adjustments may be made to its risk adjustment transfer amounts.[19]
- Issuers who receive a default risk adjustment charge and have no HCRP payment will not be assessed an HCRP charge. Issuers who receive a default risk adjustment charge and receive an HCRP payment will be assessed an HCRP charge.[20]

[19] See Section VII for information about how CMS will adjust BY 2025 transfers in response to materially incorrect EDGE data submissions.

[20] See supra note 11. Issuers who do not meet data quantity sufficiency will move to the data quality metrics to determine eligibility for HCRP payments.

How to Remedy a Data Quality Issue
An issuer identified as having data quality issues can take the following actions at any time before the ***4:00 p.m. EDT*** **April 30, 2026** final data submission deadline:

- Correct and resubmit enrollment or claims data on their EDGE server, and
- Complete the "EDGE Server Data Quality Outlier Justification Submission Web Form" within 10 calendar days of receiving outlier notification by either submitting a suitable justification for the relevant data anomalies and/or providing a date by which any data quality issues will be resolved.

If you encounter any technical problems correcting or submitting updated enrollment or claims data to the EDGE server, please contact the FMCC at edge_server_data@cms.hhs.gov.

V. Issuer Responsibility

The data quantity and quality analysis set forth above will assist CMS with ensuring the integrity of the risk adjustment program, but the issuer remains responsible for ensuring the completeness and accuracy of the data submitted to its EDGE server by the applicable data submission deadline. It is imperative that issuers review their EDGE reports and monitor their own data quantity and quality throughout the data submission process. If an issuer discovers any data error during the data submission period, it must notify CMS as soon as possible. **CMS will not permit issuers to update their EDGE server data submissions by submitting additional data or correct data already submitted to their EDGE servers after the April 30, 2026 deadline.** Failure to receive a notice from CMS of a data quantity or quality issue is not a proper basis to request reconsideration under 45 CFR § 156.1220.

VI. Default Risk Adjustment Charge

Under 45 CFR § 153.740(b), the default risk adjustment charge will equal a per member per month (PMPM) amount multiplied by the plan's enrollment. The PMPM amount is equal to the product of the statewide average premium PMPM for a risk pool and the 90th percentile plan risk transfer amount along a distribution of the absolute value of state transfers in all states where HHS operates risk adjustment, expressed as a percentage of the respective statewide average PMPM premiums for the risk pool.[21],[22] All compliant risk adjustment covered plans in the state market risk pool, where there is at least one default risk adjustment charge issuer, will receive a portion of the default charges collected from the default risk adjustment issuer in the risk pool. The final default charge amount(s) will be calculated from the final calculation of state risk adjustment transfers in all states where HHS operates risk adjustment. CMS expects that default charges will be invoiced on the same timeline as other risk adjustment charges and payments.

If a plan subject to a default risk adjustment charge has not provided enrollment data to CMS, CMS will contact the issuer via a letter[23] requesting either the plan's total billable member months and an attestation of this data, which will be used to calculate the default risk adjustment charge, or submission of enrollment data to the issuer's EDGE server. An issuer will have 10 calendar days from the date of the letter to respond to the request for an attestation of enrollment. If an issuer does not submit an attestation for its enrollment data, CMS will estimate the noncompliant plans' enrollment using available alternative data source(s).[24]

VII. Adjustment to Total Risk Adjustment Transfers Due to Submission of Incorrect Data[25]

In general, risk adjustment transfers within a state market risk pool are based on the relative risk scores of issuers in the risk pool, with the state risk adjustment transfers calibrated based on the average premium in the state market risk pool. An overstatement or understatement of diagnoses or other factors driving an issuer's risk score will have a uniform effect on the risk adjustment transfers for the other issuers in the state market risk pool (that is, it will result in either a lower or higher risk adjustment charge, or higher or lower risk adjustment payment, for all issuers). However, an overstatement or understatement of premium data may affect some issuers differently than others because it will lead to an increase or decrease in the absolute value of the

[21] See the 2017 Payment Notice, 81 FR at 12237. For small issuers (that is, issuers with 500 billable member months or fewer statewide), the default risk adjustment charge is assessed at 14 percent of statewide average premium. Ibid.
[22] REGTAP FAQ 8482b, available at https://regtap.cms.gov/faq_viewu.php?id=8482, provides information to issuers on how to estimate their default risk adjustment charge.
[23] CMS will send one of two letters to these issuers – one letter for issuers with 90% of their baseline enrollment data submitted to the EDGE server asking the issuer to attest to their reported enrollment data or attest to a different enrollment amount for the applicable benefit year; and one letter for issuers without 90% of their baseline enrollment data submitted to the EDGE server asking the issuer to submit enrollment.
[24] CMS stated in the Program Integrity: Exchange, Premium Stabilization Programs, and Market Standards final rule, 78 FR 65045 at 65062 (October 30, 2013), if an issuer does not submit enrollment data, CMS will seek enrollment data from the issuer's Medical Loss Ratio (MLR) filings for the applicable benefit year, or, if unavailable, other reliable data sources, such as the applicable State Department(s) of Insurance.
[25] Also see the Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2019; Final Rule, 83 FR 16930 at 16970 - 16971 (April 17, 2018).

magnitude of the total transfers in the state market risk pool and will affect the calculation of the geographic rating area factors.

If CMS is made aware that an issuer has submitted incorrect EDGE server claims or diagnosis data that will have the effect of understating an issuer's plan average risk score, and thus negatively affecting the issuer without having a negative effect on other issuers within the state market risk pool, we will not permit the issuer to submit supplementary data after the final data submission deadline. The EDGE server deadline is clear, and it is critical to the efficient operation of the risk adjustment program for issuers of risk adjustment covered plans in a state market risk pool to adhere to those deadlines. Unlike a misstatement of premiums, which affects the statewide average premium upon which all total transfers in the risk pool are derived, the inability of an issuer to submit all claims or diagnosis data results in a lower risk score than the issuer would have received, thereby only negatively impacting the issuer that did not submit all claims. CMS requires issuers to adhere to the initial data submission, and to accept the consequences of the data submission, even where the monetary impact of the inaccuracy on the issuer submitting incorrect data may be substantial.[26]

If an issuer has submitted incorrect EDGE server premium data, that action will increase or decrease the magnitude of risk adjustment transfers to other issuers in the state market risk pool depending on the direction of the premium error, holding constant the other elements of the state payment transfer formula. CMS will require an issuer that has submitted incorrect EDGE server premium data to adhere to its initial data submission, and to accept the consequences of the submission, even where the monetary impact of the inaccuracy on the issuer may be substantial. However, in cases where there is a material impact on risk adjustment transfers for that particular state market risk pool as a result of incorrect EDGE server premium data, CMS will calculate the dollar value of differences in risk adjustment transfers where the difference is detrimental to any other issuer(s) in the state market risk pool, adjust that other issuer's risk adjustment transfer amount by that calculation, and increase the risk adjustment charge (or decrease the risk adjustment payment) to the issuer making the data error, in order to balance the state market risk pool.[27]

CMS utilizes the issuer's Simulation (SIM) Zone on their EDGE server to assess discrepancies and resolve material and actionable discrepancies, if applicable. In these circumstances, the issuer's final EDGE data for the applicable benefit year is copied to the SIM Zone where the issuer is required to update the data to allow CMS to further investigate the discrepancy. CMS then runs the appropriate calculations against this SIM Zone data and reviews the results to determine whether the discrepancy is actionable and material.

[26] An exception would be if CMS were made aware of claims or diagnosis data that would have the effect of overstating an issuer's plan average risk score. In such circumstances, CMS will calculate the excess amount received by the issuer and redistribute that amount to the other issuers in the state market risk pool, avoiding the need to have all issuers in a market reactivate their EDGE servers and for CMS to recalculate all state transfers within a state market risk pool, while ensuring that the issuer with the overstated data does not profit by its error.

[27] Calculation of the dollar value will include adjustment to the statewide premium average and, to the extent possible, adjustment to the geographic cost factor.

CMS believes this operational approach best serves to balance the need to operate the risk adjustment program efficiently, while ensuring that issuers do not profit from their data submission errors or harm their competitors in the relevant state market risk pool.[28]

VIII. How to Notify CMS of Changes to Baseline Data

An issuer that believes its baseline data is not accurate should resubmit its baseline data using the Baseline Reporting Process as soon as possible after identifying the error or problem. Baseline data can be entered online or uploaded as a Comma Separated Values (CSV) file. The web form is available within the FM Community at https://ccrms-rari.force.com/financialmanagement/.[29] Issuers can access materials to assist in completing the Baseline Reporting Process, including a User Guide, Job Aid, and Job Aid Manual within the Salesforce FM Community and on REGTAP.[30]

The issuer will be prompted to enter a brief explanation when resubmitting its baseline data outside of the collection period. The explanation field is optional, but CMS encourages issuers to provide an explanation if experiencing issues loading data to their EDGE server.

If you encounter any technical problems using the baseline reporting process, please contact CMS at raripaymentoperations@cms.hhs.gov.

IX. Appendix A: Schedule of Steps in the Evaluation Process for Data Quantity and Quality

From October 10, 2025 through April 30, 2026, CMS will conduct ongoing data quantity and quality evaluations. Below are key dates that issuers must meet for ongoing and final data submission deadlines and the interim summary risk adjustment public report. When notifying the issuer as described below, CMS will contact the issuer's CEO Designate and CEO Designate Alternate. All issuers should monitor the status of quantity thresholds under the Quantity and Quality tab of the FM Community at https://ccrms-rari.force.com/financialmanagement/.

NOTE: Submission deadlines pertaining to enrollment in the table below refer to submitting at least 90% of enrollment for the *entire benefit year*. Deadlines for certain *quarters* of data refer to claims submission only.

[28] CMS also notes that if an issuer of a risk adjustment covered plan fails to provide access to the required data through an EDGE server in accordance with applicable regulations and guidance, such that we cannot apply the federally-certified risk adjustment methodology to calculate the transfer amounts for the impacted state market risk pools in a timely fashion, the issuer will be subject to a default risk adjustment charge pursuant to 45 CFR § 153.740(b).
[29] For the dates of Baseline collection periods, issuers can refer to the EDGE Server Key Milestone, Command Deployment, and Plan Data Submission Dates, available at: https://regtap.cms.gov/reg_librarye.php?i=5846 .
[30] Issuers can access Baseline Reporting materials under the Distributed Data Collection (DDC) for Risk Adjustment (RA) Including High-Cost Risk Pool (HCRP)/EDGE Server, available at: https://regtap.cms.gov/ddc.php.

STEP	DATE	DESCRIPTION
EDGE 1st Submission Deadline	**October 16, 2025**	**90% Enrollment and Claims for Quarters 1 and 2**
Data Quantity Evaluation Notification	Approximately one week after 1st submission deadline	**Issuers must have the following data submitted and accepted on their EDGE Server:** • 90% of the **entire BY 2025** enrollment • 90% non-orphan medical claims **and** 90% non-orphan pharmacy claims for **two** quarters of BY 2025 **Issuers in a failed status:** • May be ineligible for interim risk adjustment report • If credible, issuer's entire state may be ineligible for interim risk adjustment report **Issuers in a passed status:** • Will continue to the CMS data quality evaluation **EDGE Data Quantity Status Notification** • CMS notifies issuers of their data quantity status
Data Quality Evaluation Notification	Approximately one week after 1st submission deadline	**Issuers must meet the quantity threshold to be included in the quality analysis.** **Issuers with a data quality outlier:** • CMS contacts issuers identified as potential outliers based on analysis of EDGE Server data • If the outlier indicates a data error, the issuer must update or correct the data on their EDGE servers *as soon as possible, but no later than November 20, 2025 when **three** quarters of BY 2025 data is due* **EDGE Data Quality Evaluation Outlier Notification** • CMS will notify issuers with a data quality outlier in writing approximately one week after issuers execute the EDGE server commands. Issuers must complete the "EDGE Server Data Quality Outlier Justification Submission Web Form" within 10 calendar days of receiving the notification ***Important Reminder: All quality outliers must be resolved by January 8, 2026, for an issuer to receive its interim risk adjustment transfer estimates, and, if the issuer is credible in a state market risk pool, for a state to be included in the interim summary risk adjustment public report.***

STEP	DATE	DESCRIPTION
Data Quality Evaluation Justification Submission	10 days after notification	**Response Due to EDGE Data Quality Evaluation Outlier Notification** • Issuers notified as outliers must submit a justification of data anomalies or a date by which any data issues will be resolved
EDGE 2nd Submission Deadline	**November 20, 2025**	**90% Enrollment and Claims for Quarters 1, 2, and 3**
Data Quantity Evaluation Notification	Approximately one week after 2nd submission deadline	**Issuers must have the following data submitted and accepted on their EDGE Server:** • 90% of the **entire BY 2025** enrollment • 90% non-orphan medical claims **and** 90% non-orphan pharmacy claims for **<u>three</u> quarters** of BY 2025 **Issuers in a failed status**: • May be ineligible for interim risk adjustment report • If credible, issuer's entire state may be ineligible for interim risk adjustment report • Have until **January 8, 2026**, to meet data quantity sufficiency to be considered for interim summary risk adjustment report **Issuers in a passed status:** • Will continue to the CMS data quality evaluation **EDGE Data Quantity Status Notification** • CMS notifies issuers of their data quantity status
Data Quality Evaluation Notification	Approximately one week after 2nd submission deadline	**Issuers must meet the quantity threshold to be included in the quality analysis.** **Issuers with a data quality outlier:** • CMS contacts issuers identified as potential outliers based on analysis of EDGE server data • If the outlier indicates a data error, *the issuer must update or correct the data on their EDGE servers as soon as possible but no later than 11:59 p.m. EDT January 8, 2026, as CMS will deploy the commands for the interim summary report on 12:01 a.m. EDT January 9, 2026.* **EDGE Data Quality Evaluation Outlier Notification**

STEP	DATE	DESCRIPTION
		• CMS will notify issuers with a data quality outlier in writing approximately one week after issuers execute the EDGE server commands. Issuers must complete the "EDGE Server Data Quality Outlier Justification Submission Web Form" within 10 calendar days of receiving the notification ***Important Reminder: All quality outliers must be resolved by January 8, 2026, for an issuer to receive its interim risk adjustment transfer estimates and, if the issuer is credible in a state market risk pool, for a state to be included in the interim summary risk adjustment public report.***
Data Quality Evaluation Justification Submission	10 days after notification	**Response Due to EDGE Data Quality Evaluation Outlier Notification** • Issuers notified as outliers must submit a justification of data anomalies or a date by which any data issues will be resolved
EDGE 3rd Submission Deadline *(Final Deadline for Interim Report)*	**January 8, 2026**	**90% Enrollment and Claims for *Interim Summary Risk Adjustment Report* (Quarters 1, 2, 3)** **Issuers' data as of January 8, 2026, will be used to determine eligibility for interim risk adjustment transfer estimates and the interim summary risk adjustment public report. If an issuer does not pass either the quantity evaluation or the quality evaluation, the issuer will not be eligible for interim risk adjustment transfer estimates. All credible issuers in a state market risk pool must meet the applicable thresholds for the quantity and quality evaluations for the state to be included in the interim summary risk adjustment public report.**
Data Quantity Evaluation Notification	Approximately one week after 3rd submission deadline	**Issuers must have the following data submitted and accepted on their EDGE Server:** • 90% of the **entire BY 2025** enrollment • 90% non-orphan medical claims **and** 90% non-orphan pharmacy claims for **three quarters** of BY 2025 **Issuers in a failed status:** • Will be excluded from interim risk adjustment report • If credible, the issuer's entire state will be excluded from interim risk adjustment report. The state will only be included in the final risk adjustment summary report **Issuers in a passed status:** • Will continue to the CMS data quality evaluation **EDGE Data Quantity Status Notification** • CMS notifies issuers of their data quantity status

STEP	DATE	DESCRIPTION
Data Quality Evaluation Notification	Approximately one week after 3rd submission deadline	**Issuers must meet the quantity threshold to be included in the quality analysis.** **Issuers with a data quality outlier:** • CMS contacts issuers identified as potential outliers based on analysis of EDGE server/risk adjustment data • If an issuer fails to provide an acceptable justification within 10 calendar days or the outlier indicates a data error**:** - CMS will not provide an interim summary risk adjustment transfer estimates for that issuer - If credible, the issuer's entire state will be excluded from interim risk adjustment report. The state will only be included in the final risk adjustment summary report **Interim Risk Adjustment EDGE Data Quality Evaluation Outlier Notification** • CMS will notify issuers with a data quality outlier in writing approximately one week after issuers execute the interim commands. Issuers must complete the "EDGE Server Data Quality Outlier Justification Submission Web Form" within 10 calendar days of receiving the notification
Data Quality Evaluation Justification Submission	10 days after notification	**Response Due to Interim Risk Adjustment EDGE Data Quality Evaluation Outlier Notification** • Issuers notified as outliers must submit a justification of data anomalies ***Interim summary risk adjustment estimates for a state(s) with credible issuer(s) that lack sufficient data will not be included in the public report. These issuers will also not receive interim risk adjustment transfer estimates.***
EDGE 4th Submission Deadline	**February 19, 2026**	**90% Enrollment and Claims for ALL 4 Quarters**
Data Quantity Evaluation Notification	Approximately one week after 4th submission deadline	**Issuers must have the following data submitted and accepted on their EDGE Server:** • 90% of the **entire BY 2025** enrollment • 90% non-orphan medical claims **and** 90% non-orphan pharmacy claims for all **four quarters** of BY 2025 **Issuers in a failed status**: • May be assessed a default risk adjustment charge and may forgo HCRP payments

STEP	DATE	DESCRIPTION
		• Must take the necessary steps to meet the quantity thresholds as soon as possible so CMS can complete the data quality evaluation **Issuers in a passed status:** • Will continue to the CMS data quality evaluation **EDGE Data Quantity Status Notification** • CMS notifies issuers of their data quantity status
Data Quality Evaluation Notification	Approximately one week after 4th submission deadline	**Issuers must meet the quantity threshold to be included in the quality analysis.** **Issuers in an outlier status:** • CMS contacts issuers identified as potential outliers based on analysis of EDGE server/risk adjustment data • If the outlier indicates a data error, *the issuer must update or correct the data on their EDGE server(s) as soon as possible, but no later than April 30, 2026* **EDGE Data Quality Evaluation Outlier Notification** • CMS will notify issuers identified as outliers in writing approximately one week after issuers execute the EDGE server commands. Issuers must complete the "EDGE Server Data Quality Outlier Justification Submission Web Form" within 10 calendar days of receiving the notification
Data Quality Evaluation Justification Submission	10 days after notification	**Response Due to EDGE Data Quality Evaluation Outlier Notification** • Issuers notified as outliers must submit a justification of data anomalies or a date by which any data issues will be resolved
Release of Interim Summary Report on Individual and Small Group Market Risk Adjustment for the 2025 Benefit Year	**March 2026**	**CMS releases the Interim Summary Report on Individual and Small Group Market Risk Adjustment for the 2025 Benefit Year that includes states where all credible issuers have submitted sufficient data. Issuers who pass data quantity and quality thresholds receive interim risk adjustment transfer estimates.**
EDGE Final Submission Deadline	**April 30, 2026**	**Final Data Submission (90% Enrollment and Claims for ALL 4 Quarters)**

STEP	DATE	DESCRIPTION
Final Data Quantity Evaluation	Approximately one week after final submission deadline	**Issuers must have the following data submitted and accepted on their EDGE Server:** • 90% of the **entire BY 2025** enrollment • 90% non-orphan medical claims **and** 90% non-orphan pharmacy claims for **<u>all four</u> quarters** of BY 2025 **Issuers in a failed status:** • If an issuer has not met data quantity sufficiency, then: - ***An issuer with a low enrollment completion (that is, less than 90%) will be subject to a default risk adjustment charge*** - ***An issuer with a low medical or pharmacy claims completion (that is, less than 90%) following the April 30, 2026, data submission deadline will be subject to a default risk adjustment charge if the default charge is smaller than the charge it would have otherwise received*** - ***An issuer may forgo HCRP payments*** • CMS will perform additional data quality evaluations to determine issuer's eligibility for HCRP payments and charges **Issuers in a passed status:** • Will continue to the CMS data quality evaluation **Final EDGE Data Quantity Status Notification** • CMS notifies issuers of their data quantity status • The issuer will be formally notified of the default charge (if applicable) after the final benefit year data quantity status notification
Final Data Quality Evaluation	Approximately one week after final submission deadline	**Issuers with a data quality outlier:** • CMS contacts issuers newly deemed potential outliers after CMS conducts an analysis of the final EDGE data submissions • Issuers cannot correct any data errors or submit new data to their EDGE server at this time **Final EDGE Data Quality Evaluation Outlier Notification**

STEP	DATE	DESCRIPTION
		• CMS will notify issuers with a data quality outlier in writing approximately one week after final command execution. Issuers must complete the "EDGE Server Data Quality Outlier Justification Submission Web Form" within 10 calendar days of receiving the notification
Final Data Quality Evaluation Justification Submission	10 Calendar Days from Final EDGE Data Quality Status Notification[31]	**Response Due to Final EDGE Data Quality Evaluation Outlier Notification** • CMS will notify the issuer in writing approximately one week after final command execution. Issuers must complete the "EDGE Server Data Quality Outlier Justification Submission Web Form" within 10 calendar days of receiving the notification • Issuers newly notified as outliers must submit justifications of data anomalies by the date(s) specified in their respective notices • ***Issuers notified as outliers who fail to submit justifications, or for whom the justification is not accepted, may receive a default risk adjustment charge and may forgo HCRP payment***
Summary Report on Individual and Small Group Market Risk Adjustment Transfers for the 2025 Benefit Year	**June 30, 2026**	**CMS releases the Summary Report on Individual and Small Group Market Risk Adjustment Transfers for the 2025 Benefit Year**

[31] May 15, 2026 will be the approximate date by which final EDGE discrepancy reports and issuer attestations will be due for 2025 BY EDGE server data submissions. CMS intends to issue future guidance and hold webinars on the attestation and discrepancy reporting process for 2025 BY data submissions in May 2026. CMS notes that filing a discrepancy does **not** permit issuers to upload additional data to or correct existing data on their EDGE server for BY 2025 after the final data submission deadline.

X. Appendix B. Data Quality Evaluation Process for EDGE Enrollment Data Elements

In the 2023 and 2024 Payment Notices, CMS finalized the collection of new EDGE data elements from issuers' EDGE servers through issuers' EDGE Server Enrollment Submission (ESES) files and risk adjustment recalibration enrollment files beginning with the 2023 benefit year, including ZIP code, subsidy indicator, Individual Coverage Health Reimbursement Arrangement (ICHRA) indicator, and Qualified Small Employer Health Reimbursement Arrangement (QSEHRA) indicator (collectively referred to throughout this document as the "EDGE enrollment data elements").[32] CMS provided a transitional approach for the 2023 and 2024 benefit years for the ICHRA indicator and QSEHRA indicator data elements such that issuers were required to submit these data elements for the 2023 and 2024 benefit years using only data they already had collected through existing means.[33] However, beginning with the 2025 benefit year, issuers must make a good faith effort to collect and submit the ICHRA indicator and QSEHRA indicator data elements to EDGE even in the absence of an existing data source.[34] These data elements will provide CMS with the ability to perform more robust data analysis to inform and evaluate current and future policies for HHS individual and small group (including merged market) programs, as well as other HHS federal health-related programs, to the extent such use is otherwise authorized by, required under, or not inconsistent with applicable federal law.[35]

For the 2025 benefit year, CMS will evaluate the EDGE enrollment data elements, and whether an issuer is meeting the good faith effort reporting standard for the ICHRA and QSEHRA indicators, according to the metrics described in this appendix. Consistent with the 2024 Payment Notice,[36] CMS developed these good faith reporting standards in consultation with various internal and external stakeholders, including Marketplace policy and data teams, other federal partners, individual and small group market health insurance issuers, HRA third-party administrators and integrators, State-based Exchanges (SBEs), and State Departments of Insurance (DOIs). CMS anticipates these good faith standards will change over time as it collects more data and information regarding issuers' good faith effort actions, and as issuer data sources evolve.

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[32] See HHS Notice of Benefit and Payment Parameters for 2023 final rule ("2023 Payment Notice") 87 FR 27208 at 27241-27243 and HHS Notice of Benefit and Payment Parameters for 2024 final rule ("2024 Payment Notice") 88 FR 25740 at 25781-25787. We note that CMS also finalized the collection of race and ethnicity data elements, however, for the 2025 benefit year, issuers must submit Race and Ethnicity as '00' for 'Unknown' for all enrollees, in accordance with relevant Executive Orders. See also the Distributed Data Collection (DDC) for Risk Adjustment (RA) Including High Cost Risk Pool (HCRP) "External Data Gathering Environment (EDGE) Server 39.0 (Q3) Detail" webinar presentation slides (Aug. 12, 2025), available at https://regtap.cms.gov/reg_librarye.php?i=6006.

[33] 2023 Payment Notice, 87 FR 27208 at 27241-27242; 2024 Payment Notice, 88 FR 25740 at 25781-25787.

[34] See supra note 34.

[35] Consistent with the existing established framework, the permitted uses of the data and reports (including data reports and ad hoc query reports) extracted from issuers' EDGE servers includes calibration of the risk adjustment models and operationalization of our individual and small group (including merged) market programs (including assessing risk in the market for risk adjustment purposes and informing updates to the AV Calculator), conducting policy analysis for the individual and small group (including merged) markets, and informing policy analyses and improving the integrity of other HHS federal health-related programs (e.g., Insert), to the extent such use of the data is otherwise authorized by, required under, or not inconsistent with applicable federal law. See the 2023 Payment Notice, 87 FR at 27243, 27244 - 27252.

[36] 2023 Payment Notice, 87 FR at 27247 and 27249.

Compliance: ZIP Code and Subsidy Indicator

Beginning with the 2023 benefit year, issuers were required to submit accurate and complete ZIP code and subsidy indicator data. Based on quality reviews of data received for the 2023 and 2024 benefit years, not all issuers are submitting accurate and complete ZIP code and subsidy indicator data. To ensure issuers' compliance with data submission requirements, CMS will evaluate the accuracy and data sufficiency for the ZIP code and subsidy indicators EDGE enrollment data elements as part of the ongoing quality assessment during the 2025 benefit year EDGE data submission window. When evaluating whether an issuer is reporting ZIP code and subsidy indicators sufficiently for the 2025 benefit year, CMS will consider:

- Percentage of valid responses within acceptable variance, as established in the table below; and
- Issuer justifications of outliers.

Good Faith Effort: ICHRA and QSEHRA

To ensure issuers are making a good faith effort in reporting the ICHRA and QSEHRA indicators, CMS will evaluate the accuracy and data sufficiency for these EDGE enrollment data elements as part of the ongoing quality assessment during the 2025 benefit year EDGE data submission window. When evaluating whether an issuer has made a good faith effort in reporting the ICHRA and QSEHRA indicator data elements the 2025 benefit year, CMS will consider several factors, including but not limited to:

- Percentage of valid responses within acceptable variance, as established in the table below;
- Issuer efforts to develop data sources; and
- Issuer justifications of outliers.

EDGE Enrollment Data Elements Evaluation Process

Similar to the existing Data Quality Evaluation Process as described in section IV, CMS will send notifications to inform applicable issuers that they have been identified as potentially noncompliant. The notification will include a link to complete the "EDGE Server Data Quality Outlier Justification Submission Web Form" and indicate the issuer's response timeframe. After receiving the notification, issuers must take the following actions:

- Complete the "EDGE Server Data Quality Outlier Justification Submission Web Form" within 10 calendar days of receiving outlier notification by either submitting a suitable justification for the relevant data element(s) or by providing a date by which any data issues will be resolved. Justifications should include relevant detail and actuarial data as necessary to prove the issuer's case with respect to the metric(s) in which the issuer was identified as an outlier. CMS recommends that issuers submit their explanations early to allow time for additional clarification or revised explanations.
- Update or correct the data stored on their EDGE server(s) by the date agreed upon with CMS, if the analysis indicates a data error or missing/incomplete data.

If you are providing a justification for an outlier notification, at a minimum, you should include the following information when applicable:

- On-Exchange and off-Exchange data source(s) used to gather and report the information;
- Number and percentage of enrollees with responses obtained from each data source;
- Description and quantification of efforts made to develop and implement the data source(s); and,

- Any challenges or obstacles faced in gathering and reporting the data element.

The *EDGE Enrollment Data Elements Evaluation Metrics* table below describes the key metrics CMS will use to evaluate compliance with the good faith effort requirement in reporting the ICHRA and QSEHRA indicator data elements, as well as ZIP code and subsidy indicator compliance. When collecting and reporting these data to CMS, issuers and other entities should be mindful of ensuring compliance with any applicable privacy and security requirements. When collaborating with stakeholders, CMS has reiterated that Personally Identifiable information (PII) and Protected Health Information (PHI) cannot be sent to CMS.

EDGE Enrollment Data Elements Evaluation Metrics					
EDGE Field[37]	**Description**	**Validation Source**	**Key Metric(s)** [38]	**On-Exchange**	**Off-Exchange**
ZIP Code	• Subscriber's ZIP Code as provided in enrollment data or otherwise collected by issuer • Enrollment period level • Individual and Small Group Markets	Internal validations	Percent of subscribers with acceptable values	100%	100%
Federal APTC	• Federal APTC • Enrollment period level • Individual Market only	Marketplace data	Number of subscribers with *Federal APTC* compared with validation source	100%	Not Applicable
			Percent of subscribers with acceptable values	100%	100%
State Premium Subsidy	• State funded premium subsidy • Enrollment period level • Applicable only to states with state premium subsidies in the 2025 benefit year • Individual and Small Group Markets	State data	Number of subscribers with *State Premium Subsidy* compared with validation source	100%	Not Applicable
			Percent of subscribers with acceptable values	100%	100%
State CSRs	• State funded cost sharing reductions (CSRs) • Applicable only to states with state CSRs in the 2025 benefit year • Individual and Small Group Markets	State data	Number of subscribers with *State CSR* compared with validation source	100%	100%
			Percent of subscribers with acceptable values	100%	100%

[37] For more information about the new data elements see the Distributed Data Collection (DDC) for Risk Adjustment (RA) Including High Cost Risk Pool (HCRP) "Benefit Year 2023 EDGE 37.1 Q3 Detail Slide and EDGE Server Business Rules v. 23" webinar presentation slides (Aug. 22, 2023), available at https://regtap.cms.gov/reg_librarye.php?i=4649. See also the Distributed Data Collection (DDC) for Risk Adjustment (RA) Including High Cost Risk Pool (HCRP) "External Data Gathering Environment (EDGE) Server 39.0 (Q3) Detail" webinar presentation slides (Aug. 12, 2025), available at https://regtap.cms.gov/reg_librarye.php?i=6006.

[38] Detailed information on acceptable values and EDGE server logical checks, refer to the EDGE Server Interface Control Document (ICD), available at https://regtap.cms.gov/reg_librarye.php?i=3683.

EDGE Enrollment Data Elements Evaluation Metrics					
EDGE Field[37]	**Description**	**Validation Source**	**Key Metric(s)** [38]	**On-Exchange**	**Off-Exchange**
ICHRA and QSEHRA	• Subscriber's ICHRA/QSEHRA status as provided in enrollment data or otherwise collected by issuer and offered or used to pay for part or all the plan premium, as applicable • Enrollment period level • ICHRA: Individual Market only • QSEHRA: Individual and Small Group Markets	Marketplace and state data ICHRA administrator data	Number of subscribers with *ICHRA* (offered or used for plan premium payment) compared with validation source Number of subscribers with *QSEHRA* (used for plan premiums) compared with validation source	Special Enrollment Period (SEP): 100% Non-SEP: 90%	90%
QSEHRA Spousal	• Subscriber's QSEHRA status as provided in enrollment data or otherwise collected by issuer to pay for part or all of the policy premiums • Enrollment period level • Individual and Small Group Markets	Marketplace and state data ICHRA administrator data	Number of subscribers with *QSEHRA Spousal* (Spouse's employer provides QSEHRA for plan premiums) compared with validation source	90%	90%
QSEHRA Medical	• Subscriber's QSEHRA status as provided in enrollment data or otherwise collected by issuer for reimbursement of medical and/or pharmacy claims • Individual and Small Group Markets	Marketplace and state data ICHRA administrator data	Number of subscribers with *QSEHRA Medical* for *Medical* (Subscriber's employer provides QSEHRA and subscriber uses reimbursement of medical costs), or, *Spousal Medical* (Spouse's employer provides QSEHRA and spouse uses reimbursement of medical costs), or,	90%	90%

EDGE Enrollment Data Elements Evaluation Metrics					
EDGE Field[37]	**Description**	**Validation Source**	**Key Metric(s)** [38]	**On-Exchange**	**Off-Exchange**
			Subscriber and Spousal Medical (Subscriber's and spouse's employers provide QSEHRA respectively and both use for reimbursement of medical costs) compared with validation source		