



Date: March 13, 2017

Subject: EDGE Data Submission of Pharmacy Claims for 2016 Benefit Year Risk Adjustment

Q: Do issuers of risk adjustment covered plans need to include pharmacy claims data as part of their respective External Data Gathering Environment (EDGE) data submissions for the 2016 Benefit Year?

A: Yes. Under the Notice of Benefit and Payment Parameters for 2018 final rule (2018 Payment Notice), CMS finalized a proposal that provides for the 2019 Benefit Year risk adjustment models to be recalibrated using 2016 Benefit Year EDGE enrollee-level data. It is therefore essential that issuers of risk adjustment covered plans, as that term is defined under 45 C.F.R. §153.20, submit pharmacy claims as part of their respective EDGE data submission for the 2016 Benefit Year to provide a complete picture of claims incurred in the Individual and Small Group markets. Issuers who fail to meet the data quality threshold¹ regarding pharmacy claims will have all of their underlying data excluded from the 2019 recalibration dataset. Therefore, all issuers of risk adjustment covered plans in the Individual or Small Group markets must submit pharmacy claims for the 2016 Benefit Year.

¹ *Evaluation of EDGE Data Submissions for 2016 Benefit Year*, December 23, 2016, available at: https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/EDGE-2016-Q_Q-Guidance_20161222_v1.pdf