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WHITE PAPER

2025 ACA Supplemental Claims Impact

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INTRODUCTION

This white paper provides information related to supplemental claim information collected through the 2025 Wakely National Risk Adjustment Reporting (WNRAR) project. Actual 2025 and future results for any particular issuer may vary materially from our estimates for many reasons. Please see the Disclosures and Limitations section of this report for additional information.

SUMMARY

Wakely analyzed 516 HIOS IDs that submitted a separate supplemental claims file in the 2025 WNRAR project. Wakely estimates that supplemental claims submissions increased member month-weighted average plan liability risk scores (PLRS) by 7.3% and 3.3% in the individual and small group markets, respectively. Supplemental claims impacts vary widely among HIOS IDs, with significant variability by issuer and state.

Furthermore, we believe the gap or opportunity between pre-supplemental risk scores and the true risk score of the population varies widely among HIOS IDs because of various differences including data integrity, operations, and morbidity. We recommend that issuers review their supplemental claims impact in conjunction with their hierarchical condition category (HCC) recapture rates, initial condition capture, risk score trends, and risk adjustment data validation (RADV) failure rates to obtain a holistic view of their coding practices.

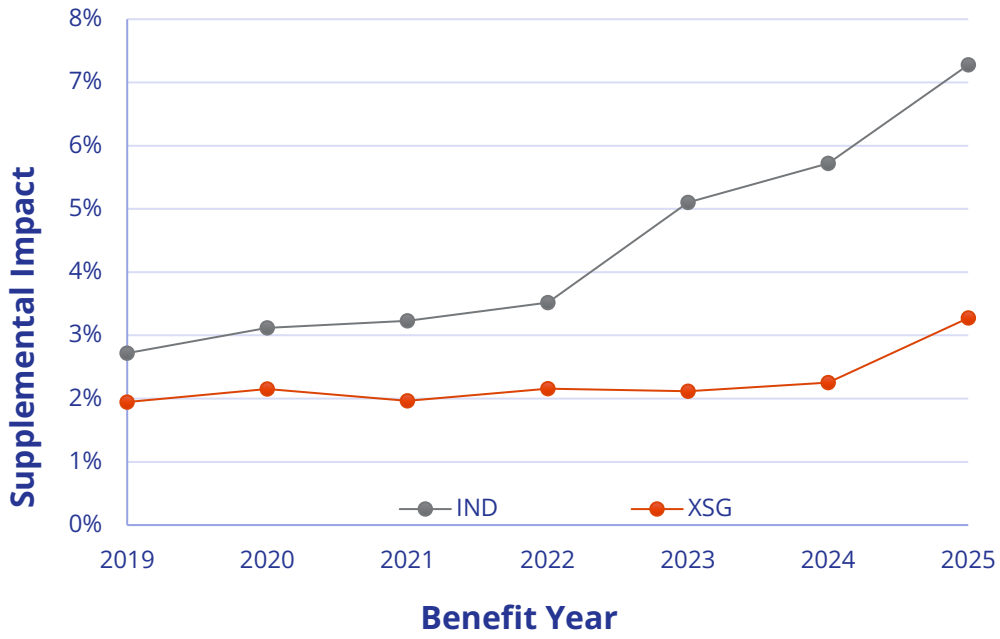
Figure 1 below provides details on the impact of supplemental claims, including the mean supplemental impact shown separately for the individual and small group markets. Though not shown in **Figure 1**, we note that results varied significantly by issuer and state.

Figure 1. 2025 Supplemental Impact (Wakely WNRAR)

Market	Count of HIOS IDs	Member Months (Millions)	Mean PLRS Impact
Combined	516	353.3	6.3%
Individual	291	265.2	7.3%
Small Group	225	88.1	3.3%

Over the past four years, the supplemental claims impact to PLRS for the individual market has more than doubled, increasing by 125%. Supplemental claims impact to PLRS for the small group market, which historically remained near 2%, increased to approximately 3.3% in 2025. **Figure 2** illustrates the five-year trend in supplemental claims impact to PLRS by year, as observed in the WNRAR study.

Figure 2. Average Supplemental Impact by Market, Year



METHODOLOGY

The supplemental file impacts provided in this report were estimated by risk scoring HIOS IDs with and without the WNRAR supplemental file to determine the marginal impact of the supplemental claims. Therefore, a supplemental claim with diagnosis codes mapping to an HCC already recorded for the member in the medical file does not contribute to the risk score increase because the HCC was captured prior to the inclusion of the supplemental file.

Additionally, other risk score operation efforts, such as directing members to their primary care providers or home assessments, are not included in this analysis as these records typically show up as separate records in the medical file rather than as "add/delete" records in the supplemental file.

Estimates in this white paper are based on WNRAR participants' 2025 full-year data submissions and include only issuers that submitted a separate supplemental file and had at least 2,400 member months (N = 516).

SUPPLEMENTAL FILE CONSIDERATIONS AND MARKET INSIGHTS

Risk score accuracy continues to be a hot topic in the Affordable Care Act (ACA) marketplace. Supplemental files allow issuers to ensure accurate coding for risk scoring, thus impacting risk adjustment transfers in the ACA market. In addition, supplemental files help issuers mitigate RADV audit risk for both "under-coding" and "over-coding" by correcting data within their claims system. Given the short period of time for ACA issuers to submit supplemental data, issuers must strategically plan their resources and efforts to have a successful program.

We continue to observe wide variations in the impact of supplemental files. While the magnitude of the increase (and for some issuers, decrease) in risk scores through supplemental files may not solely determine financial success, supplemental file submissions are an important aspect.

Ultimately, all add or delete records in supplemental files are created through chart reviews. Many successful ACA supplemental programs have a very defined, targeted, and prioritized approach given challenges in the ACA market. These approaches may target as little as 1%–5% of the issuer's entire population through both retrospective and prospective initiatives. In contrast, many Medicare supplemental programs target much higher proportions of members since Medicare populations have higher HCC-prevalence rate and a longer timeframe to submit supplemental data. Due to these key differences, supplemental strategies should be tailored to each issuer's specific population.

Our extensive work with issuers in the ACA market has revealed that successful management of risk score accuracy programs require a delicate balance of a program's return on investment, accurate coding and patient documentation, and coordination of these programs with other strategic initiatives.

DISCLOSURES AND LIMITATIONS

The estimates provided above are inherently uncertain. Supplemental impacts may vary considerably by year, state, market, and HIOS IDs. Therefore, the mean is likely not representative of the supplemental impact for any given issuer.

This analysis included 516 market-issuer-HIOS ID combinations who submitted a separate supplemental claims file through the WNRAR project. Results may vary considerably from one issuer to another, making the mean likely not representative of the supplemental impact for any given issuer. Data from issuers who did not include a separate supplemental claims file and from issuers not participating in the WNRAR project may vary significantly from those presented in this report. Furthermore, the final supplemental claims processed and submitted to the EDGE server may also vary for various reasons, including timing and data limitations.

While some issuers use their supplemental files to improve accuracy on their EDGE server data, other issuers may use a combination of supplemental files and void/replacement claim records to perform data fixes.

This white paper is intended for informational and educational purposes only. The results shown in our paper should not be relied upon for future assumptions. The estimates developed within this white paper relied upon data as provided by WNRAR participants. We performed reasonableness checks on the data where possible but did not audit or verify the data. Wakely makes no warranty and does not intend to create a reliance to third parties on estimates presented in this white paper.

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To discuss best practices and strategies related to ACA risk score accuracy, please contact the authors.

ABOUT WAKELY

Founded in 1999, Wakely Consulting Group, an HMA Company, is well known for its top-tier healthcare actuarial consulting services. With nine locations nationwide, Wakely boasts deep expertise in Medicare Advantage, Medicaid managed care, risk adjustment and rate setting, market analyses, forecasting, and strategy development. The firm's actuaries bring extensive experience across all sectors of the healthcare industry, collaborating with payers, providers, and government agencies.