Title of Exposure Draft: The Use of Health Status Based Risk Adjustment Methodologies

Comment Deadline: September 1, 2026

Instructions: Please review the exposure draft, and give the ASB the benefit or your recommendations by completing this comment template. Please fill out the tables within the section below, adding rows as necessary. Sample for completing the template provided at the following link:

Each completed comment template received by the comment deadline will receive consideration by the drafting committee and the ASB. The ASB accepts comments by email. Please send to comments@actuary.org and include the phrase 'ASB COMMENTS' in the subject line. Please note: Any email not containing this exact phrase in the subject line will be deleted by our system's spam filter.

The ASB posts all signed comments received to its website to encourage transparency and dialogue. Comments received after the deadline may not be considered. Anonymous comments will not be considered by the ASB nor posted to the website. Comments will be posted in the order that they are received. The ASB disclaims any responsibility for the content of the comments, which are solely the responsibility of those who submit them.

Restating comments verbatim or with slight variations may slow down the ASB review process. If you wish to reinforce any comments provided in another commentator's submission, please clearly state how your comments agree or differ.

I. Identification:

American Academy of Actuaries
Annette V. James, MAAA, FSA, FCA Vice President, Health, American Academy of Actuaries, on behalf of the Health Practice Council

II. ASB Questions (If Any). Responses to any transmittal memorandum questions should be entered below.

III. Specific Recommendations:

Section # (e.g. 3.2.a)	Commentator Recommendation (Please provide recommended wording for any suggested changes)	Commentator Rationale (Support for the recommendation)
1.2	"…quantify changes in morbidity, or other correlated metrics or costs, across organizations, populations, programs or time periods."	Risk adjustment methodologies are often measuring differences/changes in cost. Although correlated with morbidity, it is not the same as morbidity.
3.2.7	Add: For further guidance, see ASOP No. 56, Modeling.	There are many considerations to list, rather than listing here refer to ASOP No. 56
3.3	"When performing assessments of consistency as described above, the actuary should consider ~~follow~~ the guidance below."	Consistent with guidance.
3.3	The heading for this section should be "Input/Developmental Data." Similarly, the reference to "input data" should be changed to "input or developmental data."	Make clear the ASOP applies to both input and developmental data.
3.3.4	"This can cause ~~significant~~ differences…"	Differences may or may not be significant.
3.3.4	"…differences in medical coding…"	There are many types of coding, this is referring specifically to medical coding.
3.3.5	Add to the end of this section: "Regardless of whether **diagnostic services** are included in the input data, if predicted output is medical	Clarify including in input data vs. Including in predicted values.

	cost then the cost of the **diagnostic services** should be included."	

IV. General Recommendations (If Any):

V. Signature:

Commentator Signature	Date
Annette V. James, MAAA, FSA, FCA Vice President, Health	September 1, 2026