

Anthem Total Value Proposition

ASO Actuarial Client Support

March 2024 | Prepared for

Virginia Bankers Association

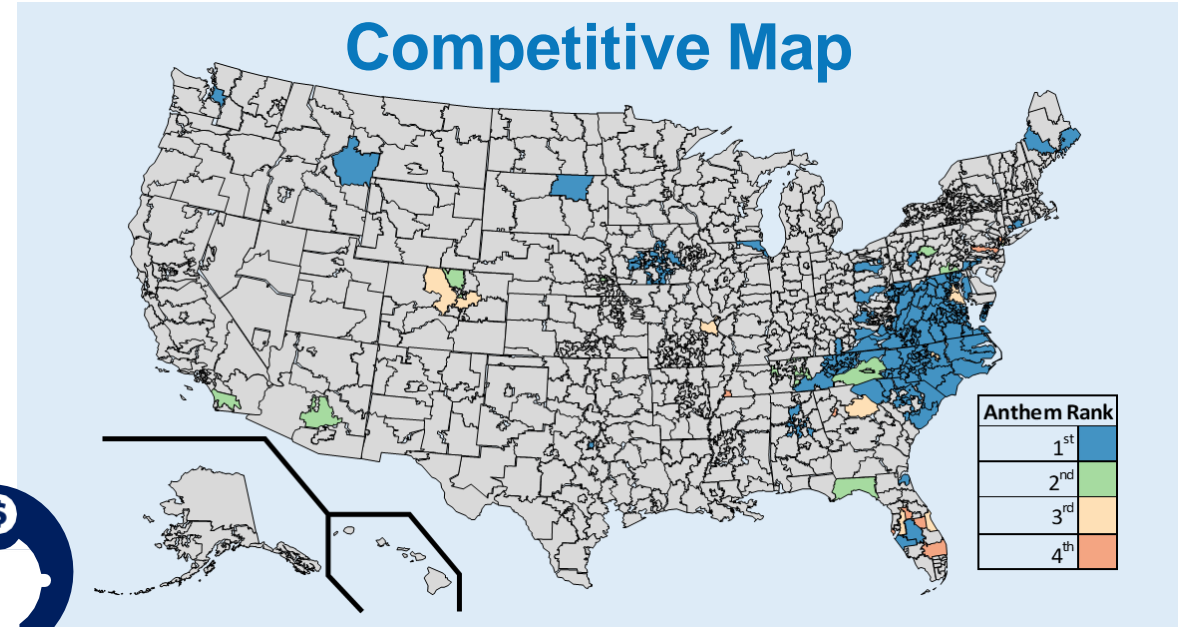
All competitor advantages/disadvantages based on client census coupled with multiple nationally recognized 3rd party consulting benchmarking studies using Anthem's Direct Data Submission. Data submissions are developed and agreed upon by a committee of several major national consultants and carriers. Carrier data is refreshed every six months and must be actuarially certified. Consultants review, analyze, and normalize all data and then report back the competitive positions by market.

PEPM based on expected client claims projected for 2025. PEPM was based on an average contract size of 1.64.

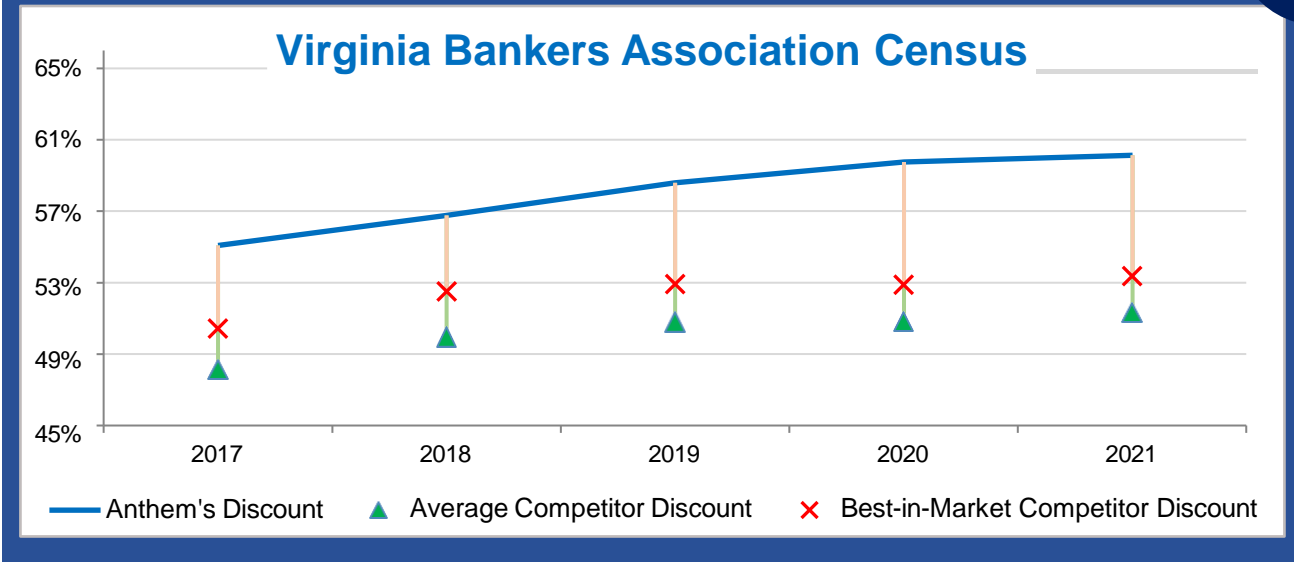
Current Network Savings vs Competitors

1
Anthem Rank

vs Carrier X	vs Carrier Y	vs Carrier Z
Annual Allowed Savings	Annual Allowed Savings	Annual Allowed Savings
\$11.2M	\$10.5M	\$10.6M
In-Network Utilization Adv	In-Network Utilization Adv	In-Network Utilization Adv
+5.9%	+2.1%	+1.8%



Discount Benchmark History



Top Markets

	Members	Anthem Unit Cost Advantage		
		vs Carrier X	vs Carrier Y	vs Carrier Z
Total	8,311	18.9%	17.9%	18.1%
Richmond	1,172	●	●	●
Lynchburg	1,030	●	●	●
Petersburg	842	●	●	●
Harrisonburg-Charlottesville-Staunton	790	●	●	●
Bristol-Pulaski	752	●	●	●
Roanoke	712	●	●	●

● Significant Advantage (>= 4%) ● Competitive (>=-4 and <4%) ● Disadvantage (<-4%)

Net Savings Including Fees

Industry benchmarks indicate Anthem has a 8.5% provider discount advantage over Carrier Y for the Virginia Bankers Association markets. This generates 17.9% unit cost claim savings, or \$172 PEPM.



Even if Carrier Y promises aggressive fees, the net savings considering both claim costs and fees favors Anthem.

	PEPM			
	Anthem	Carrier Y		
Fixed Fees	Illustrative	Same	-\$20 of Anthem	Parity*
	\$50.00	\$50.00	\$30.00	-\$121.81
Allowed Claim Cost	\$789	\$961	\$961	\$961
Total Net Cost	\$839	\$1,011	\$991	\$839
Anthem saves:	PEPM Allowed Savings	\$172	\$152	\$0

	Annual Aggregate			
	Anthem	Carrier Y		
Fixed Fees	Illustrative	Same	-\$20 of Anthem	Parity*
	\$3,046,000	\$3,046,000	\$1,827,000	-\$7,419,000
Allowed Claim Cost	\$48,069,000	\$58,534,000	\$58,534,000	\$58,534,000
Total Net Cost	\$51,115,000	\$61,580,000	\$60,361,000	\$51,115,000
Annual Allowed Savings	\$10,465,000	\$9,246,000	\$0	\$0

*Parity illustrates the admin fee Carrier Y would have to charge to make up for Anthem's claim savings. A negative admin fee indicates that Carrier Y would actually have to pay Virginia Bankers Association!

Top 5 Market Share

Results are based on Commercial ASO + FI Medical only for July 1, 2022
Source: → Third Party Health Plan Data Enrollment database



Non Metro, VA (24%)

Carrier	Members	Market Share %
Blues	388,044	67.7%
United	33,432	5.8%
Cigna	32,544	5.7%
Aetna	91,927	16.0%
Other	26,959	4.7%
Total	572,906	100.0%

Richmond, VA (19%)

Carrier	Members	Market Share %
Blues	441,258	62.8%
United	79,908	11.4%
Cigna	103,631	14.7%
Aetna	57,972	8.3%
Other	19,906	2.8%
Total	702,675	100.0%

Washington-Arlington-Alexandria, DC-VA-MD-WV (13%)

Carrier	Members	Market Share %
Blues	1,556,574	43.0%
United	514,017	14.2%
Cigna	495,864	13.7%
Aetna	468,908	12.9%
Other	586,802	16.2%
Total	3,622,165	100.0%

Virginia Beach-Norfolk-Newport News, VA-NC (8%)

Carrier	Members	Market Share %
Blues	413,844	55.6%
United	50,269	6.8%
Cigna	62,071	8.3%
Aetna	44,689	6.0%
Other	173,246	23.3%
Total	744,119	100.0%

Lynchburg, VA (6%)

Carrier	Members	Market Share %
Blues	74,341	65.7%
United	7,087	6.3%
Cigna	8,388	7.4%
Aetna	6,958	6.2%
Other	16,315	14.4%
Total	113,089	100.0%

