



ANTHEM BALANCED FUNDING

An opportunity for businesses to experience
predictability and cost savings all in one health plan

Anthem  
And Its Affiliate HealthKeepers, Inc.

Save money and better manage the monthly risks that come with protecting your employees

In the past, businesses like yours have found it difficult to find coverage for employees at a cost they can manage. Now, with Anthem Balanced Funding (ABF), you can. This provides a predictable health plan arrangement that gives you more control and rewards you when your employees are healthier than expected. It is stability with competitive pricing.

The financial control you deserve and the savings you have earned

- Your business may qualify for a lower fixed monthly cost than what you are currently paying.
- With all-inclusive funding, your monthly payment covers administrative services, stop loss insurance and claims liability.
- If the amount of your claims is more than what you have paid, you do not owe more.
- Earn money back if your claims are lower than expected, after you pay a fixed, monthly amount.
- Monthly reports let you easily understand your health care claims costs throughout the year.
- Protect the health of your employees, and keep predictable monthly payments.
- Skip some of the fees and taxes of traditional, fully-insured plans.



Benefits at-a-glance



Fixed monthly payments
to keep your budget on target



Stop loss coverage
protects you from the risk
of large claims

Individual stop loss for
high employee claims

Aggregate stop loss
for higher-than-expected
overall group claims



No deficit carry forward
protects you if your group has high
claims, so you will not have
to pay money back at the start
of the new contract year



Prefunded claims run-out
helps you avoid unexpected costs
if you terminate the plan at the end
of your contract year

3 easy steps to savings and control

Step 1 You make a fixed monthly payment that includes:

- Administrative fees
- A paid claims fund
- Stop loss coverage
- Coverage for claims run-out

Step 2 Members use their benefits.

Members use their ABF plan just as they would any traditional plan.

Step 3 Claims are reconciled.

- If your claims are higher than budgeted, you are not liable for any additional costs because you have stop loss coverage.
- If your claims are lower than budgeted, you can share in the savings.

See next page for an illustration of how your benefit year settlement works.



End-of-year savings:
More than 60% of businesses like yours
receive end-of-year savings because
claims are lower than expected.*

*End-of-year surplus savings is an estimate based on experience of Anthem's Virginia book of business.



You are covered when you have a good claims year or a bad claims year

A good year means lower-than-expected claims
You participate in the savings and receive money back, after renewal.

Favorable claims year example	
Expected annual claims	\$200,000
Annual claims funding (aggregate stop loss/budgeted claims)	\$240,000
Paid claims (no claims over individual stop loss applied to aggregate stop loss)	\$180,000
Favorable balance	\$60,000
We will credit you \$30,000 based on the 50/50 settlement.	

A bad year means higher-than-expected claims, but you do not need to worry
Stop loss protection takes care of these costs.

Unfavorable claims year example	
Expected annual claims	\$200,000
Annual claims funding (aggregate stop loss/budgeted claims)	\$240,000
Paid claims (member A had \$80,000 in claims)	\$320,000
Negative balance	- \$80,000
Through stop loss, overage is covered.	You owe \$0

Receive your money back faster

If your annual claims are lower than expected, you will receive the surplus within 90 days. That is sooner than other similar plans.

Claims incurred and paid in year one

Surplus settled \$

Year one and two claims paid in year two

Surplus settled \$

Year one, two and three claims paid in year three

Surplus settled \$

This is an example of a 12/12, 24/12 and 36/12 policy.

No additional liability after cancellation

Claims incurred prior to cancellation are covered. In the event your group leaves Anthem, a 15-month run-out begins at the end of the final contract period.

Terminal run-out

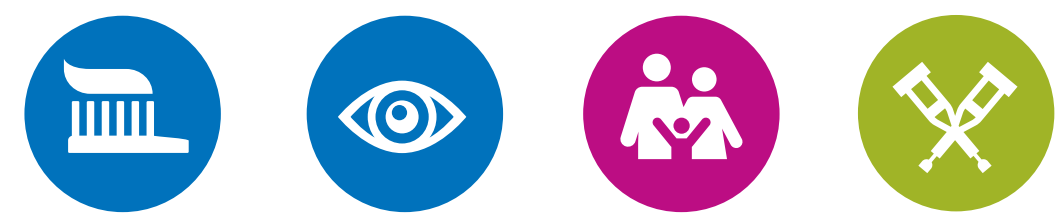
JanuaryDecemberMarch



Built-in safeguards to cap your costs

Savings start day one

You can avoid the worry of certain fees and taxes with Anthem Balanced Funding plans. You also have the option to receive discounts and save even more by adding other types of coverage, such as dental, vision, life and disability.



Choice and simplicity

You deserve access to a large suite of plans and health provider choices, including preferred provider organizations (PPOs) and Consumer Driven Health Plans (CDHP), as well as high-quality doctors and hospitals close to home — and across the country — through the BlueCard® program. You also have secure access to online tools to enroll your employees and make changes to their accounts in real time.

Insights on monthly costs

Stress less knowing that each month you have access to reports on your claims costs to see if you are on track to receive money back at the end of the year. You can also use the information to help identify opportunities where you can save money, while still keeping your employees healthy and engaged with preventive care benefits and wellness tools, such as MyHealth Advantage, FindCare and LiveHealth Online.

WELLBEING SOLUTIONS HELP KEEP YOUR EMPLOYEES HEALTHY



24/7 NurseLine



Future Moms



LiveHealth Online



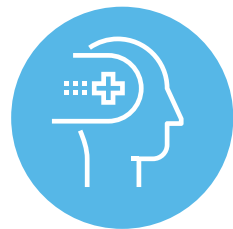
MyHealth Advantage



ConditionCare



American Imaging Management (AIM)



Autism Spectrum Disorder program



Online wellbeing resources via the Sydney app



Care Optimization Program Case Management

Understand Anthem Balanced Funding with these facts

General items

- Must have 10–250 enrolled subscribers.
- Surplus 50%/50% (available to renewing groups).
- Standard balanced funding commission applies.
- Patient-Centered Outcomes Research Institute (PCORI) fees are the responsibility of the group.
- MEC filings: Anthem prepares the forms, but the employer is responsible for filing.

Contract settlement administration

- For renewing accounts, annual settlement is completed within 90 days following the prior contract year. A surplus, if any, will be credited on the invoice subsequent to completion of the settlement.
- For terminating accounts, terminal settlements completed within 90 days following the 15-month run-out period.
- 15-month run-out period excludes stop loss coverage.
- The final settlement will include both claims paid in the last policy period and run-out claims as compared to the claims fund from the last policy period, plus the terminal fund.
- No surplus will be returned to accounts selecting another medical carrier. However, if the account keeps the medical coverage with Anthem under an alternate funding type (for example: fully-insured or administrative services only), a surplus, if any, will be credited.

Underwriting items

- Anthem Balanced Funding will not carry forward deficits.
- The terminal liability is prefunded and is a required aspect of this product.
- Administrative services fee on run-out claims is not applicable. In other words, no additional fees will be due should the account terminate.
- Anthem will not coexist with another carrier.
- The individual stop loss level includes paid medical and pharmacy claims.
- The individual stop loss level reflects accumulation on a per-member basis.
- BlueCard® fees will be billed as a paid claim with the exception of fees generated from utilization in Anthem states.

Rates include five components:

- | | | |
|-------------------------|------------------------|-------------------------------------|
| 1. Administrative fees | 3. Aggregate stop loss | 5. Maximum claims liability funding |
| 2. Individual stop loss | 4. Paid claims run-out | |

• Contract basis:

- First year: 12/12 (incurred/paid), individual stop loss and aggregate stop loss (also known as a “paid-basis” contract)
- Second year: 24/12 (incurred/paid), individual stop loss and aggregate stop loss

ANTHEM BALANCED FUNDING

Designed with your budget and employees in mind

Contact your broker or Anthem Sales representative about Anthem Balanced Funding

