

## Written Description Justifying the Rate Increase

Anthem HealthKeepers, Inc. (NAIC 95169)  
Consumer Disclosure for Proposed Health Insurance Rate Increase  
Individual Market  
Rate Change Effective January 1, 2025

### Scope and Range of the Rate Increase

Anthem HealthKeepers, Inc. has made an application to the Virginia Bureau of Insurance for premium rate changes for its fully ACA-compliant individual health plan products. This filing includes an average rate increase of 3.9%, excluding the impact of aging, effective January 1, 2025. The range by plan is between 0.4% and 9.5%. This increase will impact approximately 150,000 Virginia members renewing in 2025 with Anthem. We expect no members will receive an increase greater than 15%.

A subscriber's actual rate could be higher or lower depending on geographic location, age characteristics, dependent coverage, and other factors.

### Financial Experience

Anthem expects the proposed rate increase will cover projected medical trends and yield a medical loss ratio of 82.9% on an ACA basis, meaning more than eighty-two cents of each premium dollar are expected to go to covering our members' medical expenses and improving health care quality. This projected MLR of 82.9% exceeds the minimum MLR requirement of 80% as defined in the Affordable Care Act (ACA). In the event Anthem's MLR is less than the Federal required minimum for a three-year period, Anthem will refund the difference to policyholders.

### Drivers of Rate Increase

The primary driver of premium increases are benefit expense and plan changes. Benefit expense is driven by increases in the price of services and increased utilization. Increases in the price of services are driven by technological advances, new specialty medications, and a variety of other factors. Increased utilization is driven by member-level utilization and selection patterns in the market.

Anthem is committed to working to hold down the cost of insurance and price the individual ACA market for long-term sustainability. We continue to explore innovative collaboration with providers and negotiate deeper discounts at our hospitals. We also provide members with tools to make informed decisions about where and how to receive treatment.