

**Health Insurance Rate Request Summary
Part 1 – To Be Completed By Company**

Company Name and NAIC Number:

SERFF Tracking Number:

Effective Date:

(Projected) Number of Insureds

Affected:

New Rates

Average Annual Premium Per Member:

Revised Rates

Average Annual Premium Per Member:

Average Requested Percentage Rate Change Per Member:

Minimum Requested Percentage Rate Change Per Member:

Maximum Requested Percentage Rate Change Per Member:

Plans Affected

(The Form Number and "Product Name")

Form#

"Product Name"(if applicable)

Attach a brief narrative to summarize the key information used to develop the rates including the main drivers for new or revised rates.

This document is intended to help explain the rate filing and it is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing.

Proposed Rate Change Effective January 1, 2019

Anthem HealthKeepers is filing for an increase to rates available for new and renewing individuals for products that are compliant with the Affordable Care Act (ACA). These rate increases are for plans both on and off exchange, and the rate increase would be effective starting January 1, 2019.

At the individual plan level, rate increases range from -7.5% to 9.0%. The primary drivers of premium increases are associated with increased cost of benefit expense for this ACA-compliant block. Increased cost of benefit expense is driven by increases in the price of services primarily from hospitals, physicians and pharmacies, coupled with members increasing their use of health care services, also called "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 Guaranteed Issue, Community Rated ACA market.

Non-benefit expense costs are also contributing to this 2019 rate increase. Premiums must be set to cover this

Anthem HealthKeepers 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. And we provide members with tools to make informed decisions about where and how to receive treatment. Despite these efforts to suppress the cost of insurance, the cost of benefit expense in the Individual ACA market has continued to outpace premium on a large scale due to the drivers described above. In light of emerging costs, significant 2019 premium increases are needed to price Anthem's ACA-compliant Individual health plan products for long-term sustainability.