ACTUARIAL MEMORANDUM

1. General Information

- Company Identifying Information

Company Legal Name:	Anthem Health Plans of Virginia, Inc.
State:	Virginia
HIOS Issuer ID:	16064
NAIC Company Code:	71835
Market:	Individual
Effective Date:	January 1, 2026

- Company Contact Information

Primary Contact Name:	Andrew Meyers
Primary Contact Telephone Number:	(804) 501-9530
Primary Contact Email Address:	andrew.meyers@elevancehealth.com

2. Scope and Purpose of the Filing

This is a rate filing for the Individual market ACA-compliant plans offered by Anthem Health Plans of Virginia, Inc., also referred to as Anthem. The policy forms associated with these plans are listed below. The proposed rates in this filing will be effective for the 2026 plan year beginning January 1, 2026, and apply to plans Off-Exchange. Rates are also guaranteed renewable as required by 14VAC5-130-65 A 6.

The Memorandum provides support to the rate development and demonstrates that rates are established in compliance with state laws and provisions of the Affordable Care Act. The rates proposed in this submission reflect the regulatory framework and insurer participation in the market as of July 1, 2025. If the regulatory framework or insurer participation in the market changes after this date, proposed rates may no longer be appropriate and should be reevaluated for revision and resubmission. This rate filing is not intended to be used for other purposes.

Policy Form Number(s):

VA_EPO_01-26

This memo is intended to satisfy both Virginia requirements as well as the federal Part III Actuarial Memo requirements. Comments relating directly to state requirements can be found just below as well as in sections 3, 4, 14, and Exhibit P and Exhibit Q.

Issue Age Limitations: Issued to individuals under age 65

General Marketing Method: Off-exchange, non-grandfathered forms are marketed by direct-marketing representatives, web-based marketing, and independent insurance brokers.

As noted above, all policies are guaranteed renewable as set forth in 14VAC5-130-65 A 6. The only reasons that renewal of a policy would be refused would be one of the following:

- Fraud or material misrepresentation on an application or under terms of the policy
- Non-Payment of premium
- Not living, working, or residing in the service area

A premium or contribution for a similarly situated covered person will not vary based on:

- Any health status-related factor in relation to the covered person
- Covered person's gender identity
- Being a transgender individual

3. Proposed Rate Increase(s)

The proposed rates have been developed from Anthem's 2024 ACA experience, blended with manual rates. The legal entity specific ACA experience has been assigned 85.75% credibility in the rate development.

The proposed annual rate change is 23.1%, with rate changes by plan from 20.9% to 23.4%. This range is based on the renewing plans, and are consistent with what is reported in the Unified Rate Review Template. Exhibit A shows the rate change for each plan.

Factors that affect the rate changes for all plans include:

- Emerging experience different than projected.
- Trend: This includes the impact of inflation, provider contracting changes, and changes in utilization of services.
- Morbidity: There are anticipated changes in the market-wide morbidity of the covered population in the projection period.
- Benefit modifications, including changes made to comply with updated AV requirements.
- Changes in taxes, fees, and some non-benefit expenses.

Although rates are based on the same claims experience, the rate changes may vary by plan due to the following factors:

- Changes in benefit design that vary by plan.
- Updates in benefit relativity factors among plans.
- Updated adjustment factors for catastrophic plans.
- Changes in some non-benefit expenses that are applied on a PMPM basis.
- Changes in the claim cost relativity by area.

• Estimated Annual Premium

Average Annual Premium per policy: $ 10,978.42
Average Annual Premium per policy after rate increase: $ 13,512.24
Average Annual Premium per member: $ 7,436.14
Average Annual Premium per member after rate increase: $ 9,152.40

4. Experience and Current Period Premium, Claims, and Enrollment

The experience period premium and claims reported in Worksheet 1, Section I of the Unified Rate Review Template (URRT) are for the non-grandfathered, single risk pool compliant policies of the identified legal entity in the Individual market.

- Paid Through Date

  The experience reported in Worksheet 1, Section I of the URRT reflects the incurred claims from January 1, 2024 through December 31, 2024 based on claims paid through April 30, 2025.

- Current Date

  The Current Date for Current Enrollment and Current Premium PMPM in Worksheet 2, Section II of the URRT is April 30, 2025.

- Experience Period Premium

  The earned premium prior to MLR rebate is $21,895,458. The earned premium reflects the pro-rata share of premium based on policy coverage dates.

  The preliminary MLR rebate estimate is $0 for experience period ending December 31, 2024, which is consistent with Anthem's current general ledger estimate allocated to the non-grandfathered portion of Individual business. This is an estimated amount and will not be final until 7/31/2025. The earned premium is $21,895,458 for the legal entity as reported in cell E18 of Worksheet 1, Section I of the URRT.

- Allowed and Incurred Claims Incurred During the Experience Period

  The allowed claims are determined by subtracting non-covered benefits, provider discounts, and coordination of benefits amounts from the billed amount.

  Allowed and incurred claims are completed using the chain ladder method, an industry standard, by using historic paid vs. incurred claims patterns. The method calculates historic completion percentages, representing the percent of cumulative claims paid of the ultimate incurred amounts for each lag month. Claim backlog files are reviewed on a monthly basis and are accounted for in the historical completion factor estimates.

  Allowed and incurred claims reported in Worksheet 1, Section I of the URRT are $32,647,812 and $25,205,062, respectively. These amounts differ from those shown in Exhibit B due to the URRT including Rx Rebates.

- Membership and Annual premium subject to rate change

  As required by 14 VAC 5-130-70 B 13, the membership that is subject to this rate increase is 3,150. The premium for this membership in the most recent 12 months is $21,895,458. This corresponds to the premium in Worksheet 1 of the URRT less MLR rebates.

5. Benefit Categories

The methodology used to determine benefit categories in Worksheet 1, Section II of the URRT is as follows:

- Inpatient Hospital: Includes non-capitated facility services for medical, surgical, maternity, mental health and substance abuse, skilled nursing, and other services provided in an inpatient facility setting and billed by the facility.
- Outpatient Hospital: Includes non-capitated facility services for surgery, emergency room, lab, radiology, therapy, observation and other services provided in an outpatient facility setting and billed by the facility.
- Professional: Includes non-capitated primary care, specialist, therapy, the professional component of laboratory and radiology, and other professional services, other than hospital-based professionals whose payments are included in facility fees.
- Other Medical: Includes non-capitated ambulance, home health care, DME, prosthetics, supplies, vision exams, and dental services.
- Capitation: Includes all services provided under one or more capitated arrangements.
- Prescription Drug: Includes drugs dispensed by a pharmacy and rebates received from drug manufacturers.

6. Projection Factors

The experience period claims in Worksheet 1, Section I of the URRT are projected to the projection period using the factors described below. Exhibit C provides a summary of the factors.

The factors used to develop the credibility manual rate are fully detailed in Section 7 below.

• Trend Factors (cost/utilization)

- The annual pricing trend used in the development of proposed rates is 11.6%. This annual pricing trend is applied for 12.0 months to both Years 1 and 2 in Worksheet 1 of the URRT. The trend is developed by normalizing historical benefit expense for changes in the underlying population and known cost drivers, which are then projected forward to develop the pricing trend. Examples of such changes or cost drivers include contracting, cost of care initiatives, workdays, average wholesale price, expected introduction of new brand or generic drugs, changes in medical and pharmacy utilization and other changes in practice patterns. For projection, the experience period claims are trended 24.1 months from the member-weighted endpoint of the experience period, which is December 28, 2024, to the member-weighted endpoint of the projection period, which is December 31, 2026. Exhibit E has details.

- Morbidity Adjustment

  Adjustments are made to account for the differences between the average morbidity of the experience period population and that of the anticipated population in the projection period.

  The projected population consists of expected retention of existing policies and new sales. The new sales include the previously uninsured population and previously insured populations from other carriers or markets. The morbidity adjustment reflects projected Anthem and market changes in morbidity.

- Changes in Demographics (Normalization)

  The experience period claims are normalized to reflect anticipated changes in age/gender, area, network, and benefit plan in the projection period. Exhibit D provides detail of each normalization factor below:

  - Age/Gender: The assumed claims cost is applied by age and gender to the experience period membership distribution and the projection period membership distribution.
  - Area/Network: The area claims factors are developed based on an analysis of allowed claims by network, mapped to the prescribed rating areas using the subscriber's 5-digit zip code.
  - Benefit Plan: The experience period claims are normalized to reflect the average benefit level in the projection period using benefit relativities. The benefit relativities include the value of cost shares and anticipated changes in utilization due to the difference in average cost share requirements.

- Plan Design Changes

  Exhibit E will show any adjustment factor, if applicable.

- Other Adjustments

  Other adjustments to the experience claims data include the following items. Exhibit E and Exhibit F show the factors used for each adjustment.

  - Defrayed Mandates from Experience: The claims experience has been adjusted to account for defrayal payments for Virginia's mandate for hearing aids for minors. This adjustment can be found in Exhibit C.
  - Grace Period: The claims experience has been adjusted to account for incidences of enrollees not paying premiums due during the first month of the 90-day grace period when the QHP is liable for paying claims.
  - Rx Rebates: The projected claims cost is adjusted to reflect anticipated Rx rebates. These projections take into account the most up-to-date information regarding anticipated rebate contracts, drug prices, anticipated price inflation, and upcoming patent expirations.
  - Projected costs of pediatric vision benefits are included.
  - Benefits in excess of the essential health benefits in the projection period are included. Exhibit F provides details of additional non-EHB benefits.
  - Updated 2025 EHB Benchmark: No pricing adjustment was made for the addition of enteral nutrition and enhanced prosthetics. Anthem has permitted these benefits in the past under medical necessity. If there is additional demand, this would be covered by our risk margin.
  - EHB State Mandates: The projected claims costs have been adjusted to account for state mandates to cover in full diagnostic and supplemental breast exams and prostate cancer screening for both in-network and out-of-network providers.

7. Manual Rate Adjustments

The experience period claims are not 100% credible based on the credibility method used. Therefore, a manual rate was used in the rate development. The section below provides details of how the manual rate was developed.

- Source and Appropriateness of Experience Data Used

  The source data used for the manual rate is Anthem's other legal entity experience in the Individual ACA market with incurred date from January 1, 2024 through December 31, 2024 and paid through April 30, 2025. These claims, when blended with the Single Risk Pool experience, will most reasonably reflect the anticipated experience in the projection period. Exhibit B provides claims detail.

- Adjustments Made to the Data

  The source data underlying the manual rate has been adjusted by the factors below in developing the projected claims. Exhibit C - Manual Rate Column has details.

  Trend Factors (cost/utilization)

  - The annual pricing trend used in the development of proposed rates is 11.6%. The trend is developed by normalizing historical benefit expense for changes in the underlying population and known cost drivers, which are then projected forward to develop the pricing trend. Examples of such changes or cost drivers include contracting, cost of care initiatives, workdays, average wholesale price, expected introduction of new brand or generic drugs, changes in medical and pharmacy utilization and other changes in practice patterns. For projection, the experience period claims are trended 24.1 months from the member-weighted endpoint of the experience period, which is December 28, 2024, to the member-weighted endpoint of the projection period, which is December 31, 2026. Exhibit E has details.

  Morbidity Adjustment

  Adjustments are made to the source data to account for the differences in the average morbidity of the population underlying the manual rate and the anticipated population in the projection period.

  The projected population consists of expected retention of existing policies and new sales. The new sales include the previously uninsured population and previously insured populations from other carriers or markets. The morbidity adjustment reflects projected Anthem and market changes in morbidity.

  Changes in Demographics (Normalization)

  The data underlying the manual rate is normalized to reflect anticipated changes in age/gender, area, network, and benefit plan in the projection period. Exhibit D provides detail of each normalization factor below:

- Age/Gender: The assumed claims cost is applied by age and gender to the source data membership distribution and the projection period membership distribution.
- Area/Network: The area claims factors are developed based on an analysis of allowed claims by network, mapped to the prescribed rating areas using the subscriber's 5-digit zip code.
- Benefit Plan: The source data is normalized to reflect the average benefit level in the projection period using benefit relativities. The benefit relativities include the value of cost shares and anticipated changes in utilization due to the difference in average cost share requirements.

Plan Design Changes

Exhibit E will show any adjustment factor, if applicable.

Other Adjustments

Other adjustments to the manual rate data include the following items. Exhibit E and Exhibit F show the factors used for each adjustment.

- Defrayed Mandates from Experience: The claims experience has been adjusted to account for defrayal payments for Virginia's mandate for hearing aids for minors. This adjustment can be found in Exhibit C.
- Grace Period: The claims experience has been adjusted upward to account for incidences of enrollees not paying premiums due during the first month of the 90-day grace period when the QHP is liable for paying claims
- Rx Rebates: The projected claims cost is adjusted to reflect anticipated Rx rebates. These projections take into account the most up-to-date information regarding anticipated rebate contracts, drug prices, anticipated price inflation, and upcoming patent expirations.
- Projected cost of pediatric vision benefits are included.
- Benefits in excess of the essential health benefits in the projection period are included. Exhibit F provides details of additional non-EHB benefits.
- Updated 2025 EHB Benchmark: No pricing adjustment was made for the addition of enteral nutrition and enhanced prosthetics. Anthem has permitted these benefits in the past under medical necessity. If there is additional demand, this would be covered by our risk margin.
- EHB State Mandates: The projected claims costs have been adjusted to account for state mandates to cover in full diagnostic and supplemental breast exams and prostate cancer screening for both in-network and out-of-network providers.

8. Credibility of Experience

- Credibility Method Used

  Based on an analysis of historical data, the standard for fully credible experience is 4,284 members.

  To determine credibility, the following formula was used: square root(experience period members / 4,284)

- Resulting Credibility Level Assigned to Base Period Experience

  With 3,150 members, the credibility level assigned to the experience is 85.75%. This has been blended with the manual rate, as shown in Exhibit C.

9. Establishing the Index Rate

- Experience Period Index Rate

  The experience period Index Rate is equal to the allowed claims PMPM for the essential health benefits of Anthem's non-grandfathered business in the Individual market. The experience period Index Rate is $863.29. Due to rounding restrictions in the URRT, the experience period Index Rate displayed in Worksheet 1, Section II of the URRT may be slightly different from this number. A comparison to the benchmark was performed, and only essential health benefits were covered during the experience period.

- Projection Period Index Rate

  The projection period Index Rate is equal to projected allowed claims PMPM for the essential health benefits of Anthem's non-grandfathered business in the Individual market. It reflects the anticipated claim level of the projection period including impact from trend, benefit and demographics as described in Section 6 and Section 7 of this memo.

  The projected Index Rate is reported in Worksheet 1, Section II, cell F42 of the URRT and is also shown in Exhibit C. Note there are minor variances between the projection period Index Rate in the URRT and Actuarial Memorandum due to rounding methodology in the URRT. No benefits in excess of the essential health benefits have been included in this amount.

10. Development of the Market-wide Adjusted Index Rate

The Market-wide Adjusted Index Rate is calculated as the Index Rate adjusted for all allowable market-wide modifiers defined in the market rating rules. The three market-wide adjustments - Risk Adjustment, Reinsurance, and Exchange User Fee adjustment - are described below. In compliance with URR Instructions, these adjustments were applied on an allowed basis in the development of the Market-wide Adjusted Index Rate. Exhibit C illustrates the development of the Market-wide Adjusted Index Rate. Note that there are minor variances between the Market-wide Adjusted Index Rate in the URRT and Actuarial Memorandum due to rounding methodology in the URRT.

- Projected Risk Adjustments PMPM

  Projection period risk adjustments are estimated based on the HHS payment transfer formula. An independent consultant's study and Anthem's historical risk adjustment levels are used to develop the assumptions for the company's relative risk to the market. Projected changes in population movements and demographics that may affect risk adjustments are also considered, as well as the impact of high-cost risk pooling. Projected changes in population include changes from the expiration of the enhanced ACA premium tax credits on December 31, 2025. Membership projections also reflect contraction similar to pre-ARP population.

  The projected risk adjustment PMPMs reported in Worksheet 2 of the URRT are on a paid claim basis, while the projected amount applied to the development of Market-wide Adjusted Index Rate is on an allowed claim basis. Exhibit C and Exhibit G provide details.

- Projected ACA Reinsurance Recoveries Net of Reinsurance Premium

  Beginning in 2017, the Federal reinsurance program is no longer in effect. The projected reinsurance amount is $0.

  The impact of the reinsurance program established by State Relief and Empowerment Waivers under section 1332 of the ACA is displayed in Exhibit C and Exhibit G. The impact of reinsurance in Worksheet 1 of the URRT is on an allowed basis.

- Exchange User Fees

  Exchange User Fee: The Exchange User Fee is set to zero for this legal entity since Anthem will not be participating in the Exchange at this time.

11. Plan Adjusted Index Rate

The Plan Adjusted Index Rate is calculated as the Market-wide Adjusted Index Rate adjusted for all allowable plan level modifiers defined in the market rating rules. Exhibit J shows the development. The plan level modifiers are described below:

- AV and Cost Sharing Adjustments: This is a multiplicative factor that adjusts for the projected paid/allowed ratio of each plan, based on the AV metal value with an adjustment for utilization differences due to differences in cost sharing.
- Provider Network Adjustments: This is a multiplicative factor that adjusts for differences in projected claims cost due to different network discounts.
- Adjustments for Benefits in Addition to the Essential Health Benefits: A factor of 1.00 indicates that the plan does not provide benefits beyond the essential health benefits.
- Catastrophic Plan Adjustment: There are no catastrophic plans in this filing. The factor of 1.0 indicates no adjustments.
- Adjustments for Distribution and Administrative Cost: This is an additive adjustment that includes all the selling expense, administration and retention Items shown in Exhibit H.

12. Calibration

The Plan Adjusted Index Rate is calibrated by the Age and Geographic factors so that the schedule of premium rates for each plan can be further developed. Exhibit K shows the calibration factors.

- Age Curve Calibration

  The age factors are based on the Default Federal Standard Age Curve. The age calibration adjustment is calculated as the member weighted average of the age factors, using the projected membership distribution by age, with an adjustment for the maximum of 3 child dependents under age 21. Under this methodology, the approximate average age rounded to the nearest whole number for the risk pool is 49.

- Geographic Factor Calibration

  The geographic factors are developed from historical claims experience. The geographic calibration adjustment is calculated as the member weighted average of the geographic factors, using the projected membership distribution by area.

13. Consumer Adjusted Premium Rate Development

The Consumer Adjusted Premium Rate is calculated by calibrating the Plan Adjusted Index Rate by the Age and Geographic calibration factors described above, and applying consumer specific age and geographic rating factors. Exhibit N has the sample rate calculations.

14. Projected Loss Ratio

- Projected Federal MLR

  Exhibit I shows the projected Federal MLR for the products in this filing. The calculation is an estimate and is not meant to be a true measure for Federal or State MLR rebate purposes. The MLR for Anthem's entire book of Individual business will be compared to the minimum Federal benchmark for purposes of determining regulation-related premium refunds. Also note that the projected Federal MLR presented here does not capture all adjustments, including but not limited to: three-year averaging, credibility, dual option, and deductible. Anthem's projected MLR is expected to meet or exceed the minimum MLR standards at the market level after including all adjustments.

- State Loss Ratio Demonstration

  The State of Virginia requires that the anticipated loss ratio be at least as great as 75%. The anticipated loss ratio on a conventional basis of 82.4% exceeds this requirement. The same loss ratio is anticipated for both new and renewing business. The loss ratio originally anticipated for this block upon product introduction was 80.2%. Exhibit Q shows the anticipated loss ratio for the products in this filing.

15. Actuarial Value Metal Values

The Actuarial Value (AV) Metal Values reported in Worksheet 2, Section I of the URRT are based on the AV Calculator. To the extent a component of the benefit design was not accommodated by an available input within the AV Calculator, the benefit characteristic was adjusted to be actuarially equivalent to an available input within the AV Calculator for purposes of utilizing the AV Calculator as the basis for the AV Metal Values. When applicable, benefits for plans that are not compatible with the parameters of the AV Calculator have been separately identified and documented in the Unique Plan Design Supporting Documentation and Justification that supports the Plan & Benefits Template. The most recent approved AV de minimis ranges as of July 1, 2025 were used for all plans.

16. Membership Projections

Membership projections are reported in Worksheet 2, Section IV of the URRT. They are based on historical and current enrollment, and expected new sales and lapses.

17. Plan Type

The plan type for each plan reported in Worksheet 2, Section I of the URRT is consistent with the option chosen from the drop-down box.

18. Reliance

In support of this rate development, various data and analyses were provided by other members of Anthem's actuarial staff, including data and analysis related to cost of care, valuation, and pricing. I have reviewed the data and analyses for reasonableness and consistency. I have also relied on Wayne Rosen, FSA, MAAA to provide the actuarial certification for the Unique Plan Design Supporting Documentation and Justification for plans included in this filing.

19. Actuarial Certification

I, Andrew Meyers, FSA, MAAA, am an actuary for Elevance Health, the holding company of Anthem. I am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. I hereby certify that the following statements are true to the best of my knowledge with regards to this filing:

(1) The projected Index Rate is:

- In compliance with all applicable state and Federal statutes and regulations (45 CFR 156.80 and 147.102)
- Developed in compliance with the applicable Actuarial Standards of Practice
- Reasonable in relation to the benefits provided and the population anticipated to be covered
- Not excessive nor deficient

(2) The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 156.80(d)(2) were used to generate plan level rates.

(3) The geographic rating factors reflect differences in the costs of delivery (which can include unit cost and provider practice pattern differences) and do not include differences for population morbidity by geographic area.

(4) The most recent approved AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans.

The Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the rates. Rather it represents information required by Federal regulation to be provided in support of the review of rate changes, for certification of Qualified Health Plans for Federally-Facilitated Exchanges, and for certification that the Index Rate is developed in accordance with Federal regulation, used consistently, and only adjusted by the allowable modifiers. However, this Actuarial Memorandum does accurately describe the process used by the issuer to develop the rates.

The rates proposed in this submission reflect the regulatory framework and insurer participation in the market as of July 1, 2025. If the regulatory framework or insurer participation in the market change after this date, proposed rates may no longer be appropriate and should be reevaluated for revision and resubmission. Issuer market entry and exit can have a significant impact on rates through the risk adjuster mechanisms in the ACA and create a need for reconsideration and revision of proposed premium rates.

Andrew Meyers, FSA, MAAA
Director and Actuary I

July 18, 2025
Date

Exhibit A - Non-Grandfathered Rate Changes

Anthem Health Plans of Virginia, Inc.
Individual

Rates Effective January 1, 2026

HIOS Plan Name	2026 HIOS Plan ID	On/Off Exchange	Metal Level	Network Name	Area(s) Offered	Plan Category	Plan Specific Rate Change (excluding aging) {1},{2}
Anthem EPO Bronze DED 5900	16064VA1360002	Off	Bronze	KeyCare	All	Renewing	20.9%
Anthem EPO Bronze DED 5500 HSA	16064VA1360001	Off	Bronze	KeyCare	All	Renewing	23.4%
Anthem EPO Silver DED 3500 HSA	16064VA1360003	Off	Silver	KeyCare	All	Renewing	22.3%
Anthem EPO Gold DED 1700	16064VA1360004	Off	Gold	KeyCare	All	Renewing	23.4%

NOTES:

{1} Plan level increases in rates do not include demographic changes in the population.

{2} Plan level rate increases were developed in accordance to URR Instructions. For 'New' 2026 plans, non-zero rate increases were calculated based off 2025 terminated plans mapped to them.

Exhibit B - Claims Experience for Rate Developments

Anthem Health Plans of Virginia, Inc.
Individual

Experience Rate Claims Experience

Incurred January 1, 2024 through December 31, 2024
Paid through April 30, 2025

PAID CLAIMS:									
Incurred and Paid Claims:		IBNR:		Fully Incurred Claims:			Total	Member	Total
Medical	Drug	Medical	Drug	Medical	Drug	Capitation	Benefit Expense	Months	PMPM
$18,984,751	$6,848,925	$315,764	-$3,715	$19,300,515	$6,845,210	$0	$26,145,725	37,802	**$691.65**

ALLOWED CLAIMS:									
Incurred and Paid Claims:		IBNR:		Fully Incurred Claims:			Total	Member	Total
Medical	Drug	Medical	Drug	Medical	Drug	Capitation	Benefit Expense	Months	PMPM
$24,726,923	$8,475,997	$396,384	-$10,829	$25,123,307	$8,465,168	$0	$33,588,474	37,802	**$888.54**

Manual Rate Claims Experience

Incurred January 1, 2024 through December 31, 2024
Paid through April 30, 2025

PAID CLAIMS:									
Incurred and Paid Claims:		IBNR:		Fully Incurred Claims:			Total	Member	Total
Medical	Drug	Medical	Drug	Medical	Drug	Capitation	Benefit Expense	Months	PMPM
$616,081,113	$275,073,863	$18,091,077	-$301,440	$634,172,190	$274,772,423	$2,340	$908,946,952	1,693,069	**$536.86**

ALLOWED CLAIMS:									
Incurred and Paid Claims:		IBNR:		Fully Incurred Claims:			Total	Member	Total
Medical	Drug	Medical	Drug	Medical	Drug	Capitation	Benefit Expense	Months	PMPM
$790,909,397	$328,613,463	$22,710,929	-$387,596	$813,620,326	$328,225,867	$2,340	$1,141,848,532	1,693,069	**$674.43**

Note

{1} The 'Experience Rate Claims Experience' above does not account Rx Rebates or Reinsurance in 'Paid Claims', whereas the claims shown in Worksheet 1, Section 1 of the URRT include them, if present.

Exhibit C - Market-wide Adjusted Index Rate Development

Anthem Health Plans of Virginia, Inc.
Individual

Rates Effective January 1, 2026

		Experience Rate	Manual Rate	
1)	Starting Paid Claims PMPM	$691.65	$536.86	Exhibit B
2)	x Remove Defrayed Mandates from Experience	0.9998	0.9998	
3)	= Mature Claims PMPM	$691.51	$536.75	= (1) x (2)
4)	x Normalization Factor	1.0028	1.1430	Exhibit D
5)	= Normalized Claims	$693.45	$613.51	= (3) x (4)
6)	x Plan Design Changes	1.0000	1.0000	Exhibit E
7)	x Morbidity Changes	1.0300	1.0300	Exhibit E
8)	x Trend Factor	1.2473	1.2473	Exhibit E
9)	x Other Cost of Care Impacts	1.0043	1.0038	Exhibit E
10)	= Projected Paid Claim Cost	**$894.71**	**$791.19**	= (5) x (6) x (7) x (8) x (9)
11)	Credibility Weight	85.75%	14.25%	
12)	Blended Paid Claims		$879.96	
13)	- Non-EHBs Embedded in Line Item 1) Above		$0.36	
14)	= Projected Paid Claims, Excluding ALL Non-EHBs		$879.60	= (12) - (13)
15)	+ Rx Rebates		-$47.50	Exhibit F
16)	+ CSR Receivable	$0.00		Exhibit F
17)	+ Additional EHBs		$1.06	Exhibit F
18)	= Projected Paid Claims for EHBs		$833.16	= (14) + (15) + (16) + (17)
19)	÷ Paid to Allowed Ratio		0.7677	
20)	**= Index Rate** {2}		**$1,085.27**	= (18) / (19)
21)	Reinsurance Contribution		$0.00	Exhibit G
22)	Expected Reinsurance Payments		-$151.76	Exhibit G
23)	Risk Adjustment Net Transfer		-$53.29	Exhibit G
24)	Marketplace User Fee		$0.00	Exhibit H
25)	**= Market-wide Adjusted Index Rate** {3}		$818.17	= (20)+[(21)+(22)+(23)+(24)] ÷ (19)

NOTE:

{1} Factors above are detailed in subsequent exhibits

{2} Index Rate is Projected Allowed Claims for EHBs only

{3} The Market-wide Adjusted Index Rate is the same for all plans in the single risk pool

Exhibit D - Normalization Factors

Anthem Health Plans of Virginia, Inc.
Individual

Rates Effective January 1, 2026

	Average Claim Factors - Experience Rate		
	Experience Period Population	Future Population	Normalization Factor [1]
Age/Gender	1.0002	1.0005	1.0003
Area/Network	1.0044	1.0040	0.9996
Benefit Plan	0.8076	0.8099	1.0029
Total			**1.0028**

	Average Claim Factors - Manual Rate		
	Experience Period Population	Future Population	Normalization Factor [1]
Age/Gender	1.0067	1.0005	0.9939
Area/Network	0.8747	1.0040	1.1479
Benefit Plan	0.8084	0.8099	1.0018
Total			**1.1430**

Note

{1} Normalization Factor = Future Population Factor / Experience Period Population Factor

Exhibit E - Projection Period Adjustments

Anthem Health Plans of Virginia, Inc.
Individual

Rates Effective January 1, 2026

Impact of Changes Between Experience Period and Projection Period:			
		Experience Rate	**Manual Rate**
Plan Design Changes			
	Total Benefit Changes	1.0000	1.0000
Morbidity Changes			
	Total Morbidity Changes	1.0300	1.0300
Trend & Other Cost of Care Impacts			
	Annual Medical/Rx Trend Rate	11.6%	11.6%
	# Months of Projection	24.1	24.1
	Trend Factor	1.2473	1.2473
	Other Cost of Care:		
	Off System Adjustments	1.0021	1.0016
	Grace Period	1.0022	1.0022
	Total other Cost of Care Impacts	1.0043	1.0038

Note

{1} Explanation of the factors above is provided in the Actuarial Memorandum

Exhibit F - Other Claim Adjustments

Anthem Health Plans of Virginia, Inc.
Individual

Rates Effective January 1, 2026

Other Claim Adjustments	
	PMPM
Rx Rebates	($47.50)
CSR Receivable	$0.00
Additional EHBs	
Pediatric Vision	$0.31
State Mandates	$0.75
Total - Additional EHBs	$1.06
Additional non-EHBs	
State Mandate (Non-EHBs)	$0.36
Total - Additional Non-EHBs	$0.36

NOTES:

{1} This exhibit includes projected claims from lines 15, 16, and 17 of Exhibit C and additional non EHBs.

Exhibit G - Risk Adjustment and Reinsurance - Contributions and Payments

Anthem Health Plans of Virginia, Inc.
Individual

Rates Effective January 1, 2026

Risk Adjustment:

PMPM	Net Transfer{1}
Federal Program	($53.29)

Reinsurance: {2}

PMPM	Contributions Made	Expected Receipts
Federal Program	$0.00	$0.00
State Program	$0.00	($151.76)

Grand Total of All Risk Mitigation Programs	($205.05)

NOTES:

{1} Projected risk adjustment transfer amount is explained in the Memorandum "Development of the Market-wide Adjusted Index Rate" Section.

{2} Federal Reinsurance Program is no longer applicable starting in 2017.

{3} Risk Adjustment net transfer includes a $16.90 reduction in Risk Adjustment receivables assumed for the sunsetting for enhanced APTCs at the end of 2025.

Exhibit H - Non-Benefit Expenses and Profit & Risk

Anthem Health Plans of Virginia, Inc.
Individual

Rates Effective January 1, 2026

	Expenses Applied As a PMPM Cost	Expenses Applied as a % of Premium [1]	Expenses Expressed as a PMPM [5]
Administrative Expenses			
Administrative Costs	$36.83		$36.83
Quality Improvement Expense	$5.58		$5.58
Selling Expense	$12.68		$12.68
Specialty Expenses	$0.06		$0.06
Total Administrative Expenses	**$55.15**	**0.00%**	**$55.15**
Taxes and Fees			
PCORI Fee	$0.32		$0.32
ACA Insurer Fee		0.00%	$0.00
Risk Adjustment Fee {2}	$0.20		$0.20
Marketplace User Fee		0.00%	$0.00
Premium Tax		2.25%	$17.16
MLR-Deductible Federal/State Income Taxes {3}		1.68%	$12.81
Misc Taxes & Fees - %-of-Premium		0.05%	$0.38
Total Taxes and Fees	**$0.52**	**3.98%**	**$30.88**
Profit and Risk Margin {4}		6.32%	$48.20
Total Non-Benefit Expenses, Profit, and Risk	**$55.67**	**10.30%**	**$134.23**

NOTES:

{1} The sum of the rounded percentages shown may not equal the total at the bottom of the table due to rounding.

{2} The Risk Adjustment User Fee reflects the per capita annual user fee rate established by HHS at the time this filing was prepared: $2.40 per year or $0.20 per-enrollee-per-month.

{3} Includes only those income taxes which are deductible from the MLR denominator; in particular, Federal income taxes on investment income are excluded.

{4} Profit and Risk Margin shown here is post-tax profit, net of those federal and state income taxes which are deductible from the MLR denominator.

{5} Anthem's Non-Benefit Expenses are applied in both PMPM and % of Premium as shown above. The last column expresses all non-benefit Expenses in PMPM only.

Exhibit I - Federal MLR Estimated Calculation

Anthem Health Plans of Virginia, Inc.
Individual

Rates Effective January 1, 2026

Numerator:		
Incurred Claims {1}	$833.52	Exhibit C (Line 18) + Exhibit F (Total Non-EHBs)
+ Quality Improvement Expense	$5.58	Exhibit H
+ Risk Corridor Contributions	$0.00	
+ Risk Adjustment Net Transfer	-$53.29	Exhibit G
+ Reinsurance Receipts	-$151.76	Exhibit G
+ Risk Corridor Receipts	$0.00	
+ Reduction to Rx Incurred Claims (ACA MLR)	-$5.27	Footnote {3}
= *Estimated* Federal MLR Numerator	$628.78	
Denominator:		
Premiums {2}	$762.70	Incurred Claims + Exhibit G (Total) + Exhibit H (Total)
- Federal and State Taxes	$12.81	Exhibit H (Federal/State Income Taxes)
- Premium Taxes	$17.16	Exhibit H (Premium Tax)
- Risk Adjustment User Fee	$0.20	Exhibit H
- Reinsurance Contributions	$0.00	Exhibit G
- Licensing and Regulatory Fees	$0.32	Exhibit H (PCORI, ACA and Marketplace Fees)
= *Estimated* Federal MLR Denominator	$732.21	
***Estimated* Federal MLR**	**85.87%**	Footnote {4}

NOTES:

{1} Incurred Claims = Projected Paid Claims for EHB (Exhibit C Line 18) + additional non EHBs (Exhibit F Total Non-EHBs)

{2} Premiums = Incurred Claims in this exhibit + Risk Mitigation Programs in Exhibit G + Non-Benefit Expenses and Profit & Risk Margin in Exhibit H

{3} This is the amount of 2026 pharmacy claims that are attributable to Third Party Administrative Expenses (i.e. the 'retail spread' or 'pharmacy claims margin'). It is calculated by applying the third party margin percentage to the 2026 projected Pharmacy claims including projected rebates.

{4} The above calculation is purely an estimate and not meant to be compared to the minimum MLR benchmark for federal/state MLR rebate purposes:

* The above calculation represents only the products in this filing. Federal MLR will be calculated at the legal entity and market level.

* Not all numerator/denominator components are captured above (for example, fraud and prevention program costs, payroll taxes, assessments for state high risk pools etc.).

* Other adjustments may also be applied within the federal MLR calculation such as 3-year averaging, new business, credibility, deductible and dual option. These are ignored in the above calculation.

* Licensing and Regulatory Fees include ACA-related fees as allowed under the MLR Final Rule.

Exhibit J - Plan Adjusted Index Rate and Consumer Adjusted Premium Rates

Anthem Health Plans of Virginia, Inc.
Individual

Rates Effective January 1, 2026

HIOS Plan Name	HIOS Plan ID	Market Adjusted Index Rate (Exhibit C)	Cost Sharing Adjustment	Provider Network Adjustment	Adjustment for Benefits in Addition to the EHBs	Catastrophic Plan Adjustment {1}	Administrative Costs {2}	Plan Adjusted Index Rate {3}	Calibration Factor {4}	Consumer Adjusted Premium Rate {5}
Anthem EPO Bronze DED 5900	16064VA1360002	$818.17	0.6629	1.0000	1.0004	1.0000	$115.91	$658.49	1.7039	$386.46
Anthem EPO Bronze DED 5500 HSA	16064VA1360001	$818.17	0.6885	1.0000	1.0004	1.0000	$120.39	$683.93	1.7039	$401.39
Anthem EPO Silver DED 3500 HSA	16064VA1360003	$818.17	0.7265	1.0000	1.0004	1.0000	$127.02	$721.63	1.7039	$423.52
Anthem EPO Gold DED 1700	16064VA1360004	$818.17	0.8142	1.0000	1.0004	1.0000	$142.36	$808.81	1.7039	$474.68

Notes:

{1} This adjustment reflects the projected costs of the population eligible for catastrophic plans.

{2} This is an additive adjustment that includes all the selling expense, administration and retention items shown in Exhibit H, with the exception of the Exchange User Fee. The Exchange User Fee has been included in the Market-wide Adjusted Index Rate at the market level.

{3} The Plan Adjusted Index Rate is calculated by multiplying the Market-wide Adjusted Index Rate by the AV and cost sharing, provider network, benefits in addition to the EHBs, and catastrophic plan adjustments and then adding the administrative costs. The Plan Adjusted Index Rate can also be described as a Plan Level Required Premium.

{4} See Exhibit K - Calibration.

{5} The Consumer Adjusted Premium Rate is equal to 'Plan Adjusted Index Rate' divided by 'Calibration Factor'.

Exhibit K - Calibration

Anthem Health Plans of Virginia, Inc.
Individual

Rates Effective January 1, 2026

Average rating factors for 2026 population:	
	Calibration Factors
Age	1.7039
Tobacco	1.0000
Area	1.0000
Total Calibration Factor{1}	1.7039

NOTES:

{1} Total Calibration factor was used in Exhibit J.

{2} Age calibration includes adjustments for membership that exceeds the three child dependent cap, as permitted by CMS per 2026 Part 3 Instructions.

Exhibit L - Age and Tobacco Factors

Anthem Health Plans of Virginia, Inc.
Individual

Rates Effective January 1, 2026

	Age Factors	Tobacco Factors
Age	2026	2026
0-14	0.765	1.000
15	0.833	1.000
16	0.859	1.000
17	0.885	1.000
18	0.913	1.000
19	0.941	1.000
20	0.970	1.000
21	1.000	1.000
22	1.000	1.000
23	1.000	1.000
24	1.000	1.000
25	1.004	1.000
26	1.024	1.000
27	1.048	1.000
28	1.087	1.000
29	1.119	1.000
30	1.135	1.000
31	1.159	1.000
32	1.183	1.000
33	1.198	1.000
34	1.214	1.000
35	1.222	1.000
36	1.230	1.000
37	1.238	1.000
38	1.246	1.000
39	1.262	1.000
40	1.278	1.000
41	1.302	1.000
42	1.325	1.000
43	1.357	1.000
44	1.397	1.000
45	1.444	1.000
46	1.500	1.000
47	1.563	1.000
48	1.635	1.000
49	1.706	1.000
50	1.786	1.000
51	1.865	1.000
52	1.952	1.000
53	2.040	1.000
54	2.135	1.000
55	2.230	1.000
56	2.333	1.000
57	2.437	1.000
58	2.548	1.000
59	2.603	1.000
60	2.714	1.000
61	2.810	1.000
62	2.873	1.000
63	2.952	1.000
64+	3.000	1.000

NOTES:

The weighted average of these factors for the entire risk pool included in this rate filing is provided in Exhibit K.

Exhibit M - Area Factors

Anthem Health Plans of Virginia, Inc.
Individual

Rates Effective January 1, 2026

Rating Area Description	2026 Area Rating Factor	2025 Area Rating Factor	Change
Blacksburg MSA	1.0428	1.0423	0.0%
Charlottesville MSA	0.9592	0.9588	0.0%
Danville MSA	1.0089	1.0084	0.0%
Harrisonburg MSA	1.0096	1.0092	0.0%
Bristol MSA	0.9988	0.9984	0.0%
Lynchburg MSA	0.9680	0.9676	0.0%
Richmond MSA	1.0594	1.0589	0.0%
Roanoke MSA	0.9990	0.9985	0.0%
VA Beach-Norfolk MSA	1.0239	1.0235	0.0%
Wash/Arl/Alex MSA	0.9823	0.9819	0.0%
Winchester MSA	0.9384	0.9380	0.0%
Non-MSA	1.0050	1.0045	0.0%

NOTES:

{1} The weighted average of these factors for the entire risk pool included in this rate filing is provided in Exhibit K.

Exhibit N - Sample Rate Calculation

Anthem Health Plans of Virginia, Inc.
Individual

Rates Effective January 1, 2026

Name: **John Doe**
Effective Date: **1/1/2026**
On/Off Exchange: Off
Metal Level: Silver
Plan ID: 16064VA1360003
Rating Area: 01

Family Members Covered:

	Age	Smoker?
Subscriber	47	N
Spouse	42	N
Child (age 21+)	25	Y
Child #1	20	N
Child #2	16	N

Calculation of Monthly Premium:

Consumer Adjusted Premium Rate	$423.52	Exhibit J
x Area Factor	1.0428	Exhibit M
Rate Adjusted for Area =	$441.63	

Age/Tobacco Factors: Exhibit L

	Age Factor	Tobacco Factor
Subscriber	1.563	1.000
Spouse	1.325	1.000
Child (age 21+)	1.004	1.000
Child #1	0.970	1.000
Child #2	0.859	1.000

Final Monthly Premium PMPM:

	PMPM
Subscriber	$690.27
Spouse	$585.16
Child (age 21+)	$443.40
Child #1	$428.38
Child #2	$379.36
TOTAL	**$2,526.57**

NOTES:

As per the Market Reform Rule, when computing family premiums no more than the three oldest covered children under the age of 21 are taken into account whereas the premiums associated with each child age 21+ are included.

Minor rate variances may occur due to differences in rounding methodology.

Exhibit O - Silver Plan Membership Projections for Cost-Sharing Reductions

Anthem Health Plans of Virginia, Inc.
Individual

Rates Effective January 1, 2026

Silver Plan				
HIOS Standard Component Plan ID	100-150%	150%-200%	200%-250%	Standard
16064VA1360003	0	0	0	893

Exhibit P - Historical Rate Increases

Anthem Health Plans of Virginia, Inc.
Individual

Year	Rate Increase
2023	N/A
2024	4.2%
2025	5.2%
2026	23.1%

Exhibit Q - Conventional MLR Calculation

Anthem Health Plans of Virginia, Inc.
Individual

Rates Effective January 1, 2026

Numerator:			
Incurred Claims {1}		$833.52	Exhibit C (Line 16) + Exhibit F (Total Non-EHBs)
+ Risk Adjustment Net Transfer		-$53.29	Exhibit G
+ Risk Adjustment User Fee		$0.20	Exhibit H
+ State Reinsurance Recoveries		-$151.76	Exhibit G
= MLR Numerator		$628.67	
Denominator:			
MLR Numerator		$628.67	
+ Total Non-Benefit Expenses		$134.23	Exhibit H
= MLR Denominator (Premium) {2}		$762.90	
Conventional MLR		**82.41%**	

NOTES:

{1} Incurred Claims = Projected Paid Claims for EHB (Exhibit C Line 18) + additional non EHBs (Exhibit F Total Non-EHBs)

{2} Premiums = Incurred Claims in this exhibit + Non-Benefit Expenses and Profit & Risk Margin in Exhibit H.