



Keep your funding solution simple with Anthem Balanced Funding

If you're looking for a new funding arrangement with savings potential, Anthem Balanced Funding (ABF) may be right for you.

There are usually two ways to pay for the benefits you make available to your employees — fully insured or self-funded. ABF offers the best of both options — providing the simplicity and predictability of fully insured funding with the benefits of self-funding.

Best of all, you can take advantage of all Anthem has to offer, including:

- Large care provider networks
- Meaningful care provider discounts
- Detailed client reporting
- The **SydneySM Health** app, which enhances access to care for your employees

How it works

With ABF, you make a fixed monthly payment that covers all of your costs, including:

- Claims fund
- Fixed costs (administrative fees, stop loss coverage, and premium taxes)
- Terminal liability fund

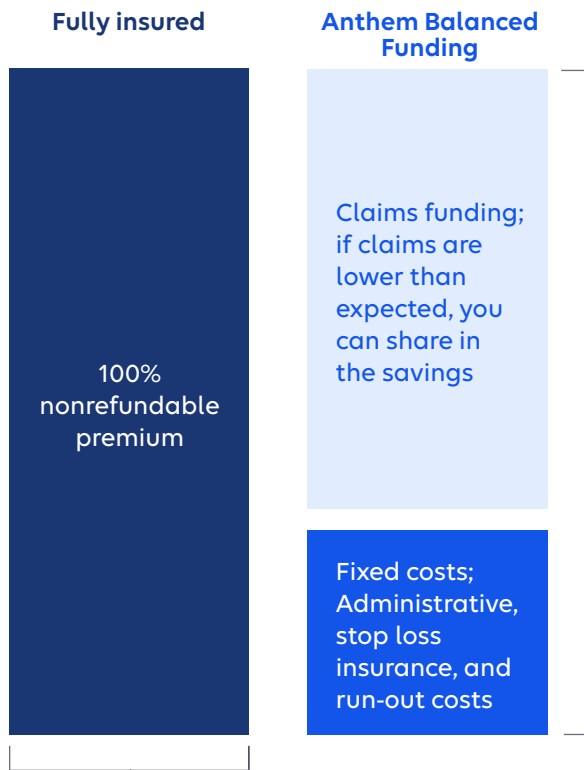
Within 90 days of your renewal, we provide a settlement calculation.

If your claims are lower than expected — You will share in the savings if you renew. Your surplus share will be applied to your next invoice.

If your claims are higher than expected — Anthem Blue Cross covers the additional cost.



How it works, continued



With fully insured funding, you pay a set amount each month unless there are enrollment changes.

No matter how much or how little your employees use their benefits, you pay the same amount.

Surplus sharing is not available with fully insured funding.

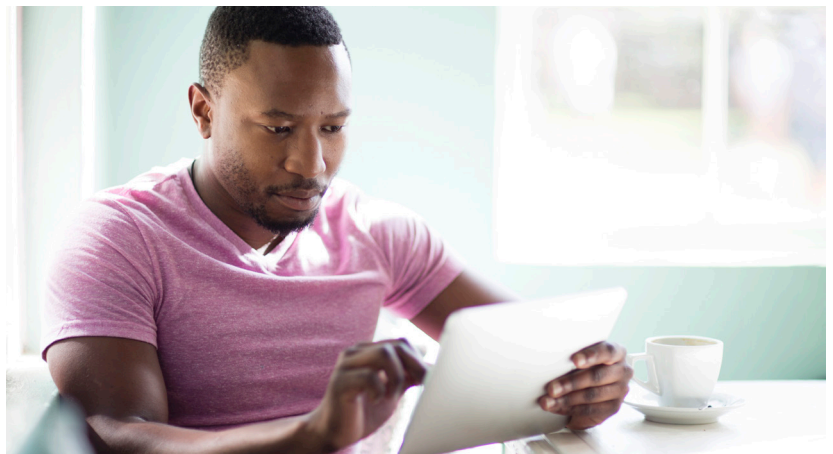
If paid claims are lower than expected, you share in the savings.

Your monthly payment includes all costs — claims funding, administrative fees, specific and aggregate stop loss premiums, and terminal liability fund (which is a reserve for run-out coverage). There are no surprises.

With **Anthem Balanced Funding**, you keep your predictable payments and experience the advantages of a self-funded payment arrangement.

You can share in claims savings, have access to detailed monthly reporting, and pay lower premium taxes. With self-funded solutions, state benefit mandates may not apply.

This chart is for illustrative purposes only.



Advantages of ABF



Fixed monthly payments

You get a simple and predictable payment arrangement.



Surplus credit

If claims are lower than expected, a surplus credit will be applied if you renew.



Gain insights

To better understand your benefits and your claims utilization, you'll get detailed monthly reporting.



Terminal liability fund

If you terminate your coverage at the end of your contract, there are no surprises. Your monthly payment includes coverage for run-out claims. There is a 15-month run-out period with ABF.



Stop loss coverage

Integrated stop loss protects your financial resources from unexpected claims.

Specific stop loss (SSL) protects against high individual claims.

Aggregate stop loss (ASL) protects against higher than expected claims for your entire group.



No deficit carryforward

If claims are higher than expected, Anthem covers those claims. With ABF, deficits do not carry forward.



Savings

Because ABF is a self-funded solution, you save on premium taxes.

ABF settlement calculations



Learn more about Anthem Balanced Funding

Contact your broker or Anthem representative to see if ABF is right for your business.

Favorable claims year example	
Annual claims funding	\$200,000
Actual paid claims	-\$150,000
Balance	\$50,000

Renewing clients receive a percentage of the surplus balance. This surplus share is applied toward your next medical invoice.

Unfavorable claims year example	
Annual claims funding	\$200,000
Actual paid claims	-\$235,000
Balance	-\$35,000

There are no additional costs. A deficit balance is covered by Anthem through your stop loss insurance.

Other details to keep in mind

- Contract basis: First year — 12/12 (incurred/paid); Second year — 24/12 (incurred/paid).
- In most markets, the standard surplus share is 50%. Other surplus share options may be available.
- The annual settlement is completed within 90 days following renewal.
- No additional fees are due if you terminate the contract.



Sydney Health is offered through an arrangement with Carelon Digital Platforms, a separate company offering mobile application services on behalf of your health plan.

In California Anthem Blue Cross is the trade name of Blue Cross of California, Inc. Also serving California: Anthem Blue Cross Life and Health Insurance Company. In 11 northeastern counties of New York Anthem Blue Cross is the trade name of Anthem HealthChoice Assurance, Inc., and Anthem HealthChoice HMO, Inc., and Anthem Blue Cross HP is the trade name of Anthem HP, LLC. Independent licensees of the Blue Cross Association. Anthem is a registered trademark of Anthem Insurance Companies, Inc.