

Exhibit 1: Comparing Rate Development as Filed with Recommended Alternative

Cells Highlighted in Yellow show changes to the rate development compared to what had been filed

Experience Period: 5/1/2013-4/30/2014 with runout through 5/31/2014

Rate being developed for: IND

Starting Data / Legal Entity: All Individual Legacy

	Alternative Calculation	Original Anthem Rate Development
Experience period avg. mbrs.	16,721	16,721
Paid Claims PMPM	\$300.70	\$300.70
Claims in Excess of \$75k PMPM	\$0.00	\$22.87
Paid claims PMPM (excl. LC)	\$300.70	\$277.83
Normalize to new rating period		
Age/Gender	1.0000	1.0000
Area/Network	1.0000	1.0000
Benefit plan	1.0068	1.0068
Normalized paid claims	\$302.74	\$279.72
Benefit changes		
Change 1	1.0000	1.0000
Change 2	1.0000	1.0000
Change 3	1.0000	1.0000
Morbidity changes		
Change 1	1.0051	1.0872
Change 2	1.0000	1.0000
Change 3	1.0000	1.0000
Cost of care impacts		
Medical trend	1.1124	1.0796
Hep C Impact	1.0000	1.0057
Impact 3	1.0000	1.0000
Rx rebates	(\$6.60)	(\$3.50)
Excess Claims	1.0000	1.0659
LC Leveraging	1.0000	1.0107
Subtotal	\$331.89	\$352.24
Mandated benefit change	\$0.52	\$0.52
Healthcare management	\$3.04	\$3.47
Miscellaneous	\$0.00	\$0.00
Claims projected to new period	\$335.45	\$356.23
Risk mitigation programs		
Federal reinsurance contribution	\$3.67	\$3.67
Federal reinsurance payment	\$0.00	\$0.00
State-based reinsurance contribution	\$0.00	\$0.00
State-based reinsurance payment	\$0.00	\$0.00
Risk adjusters, net transfer	\$0.00	\$0.00
Claims net of risk mitigation programs	\$339.12	\$359.90
Other expenses		
Selling expense	\$0.48	\$0.48
G&A expense	\$25.00	\$25.00
Vaccine assessment	\$1.59	\$1.59
CER fee	\$0.18	\$0.18
Risk Adj fee	\$0.00	\$0.00
Misc	\$0.00	\$0.00
% of premium loads		
Selling expense	0.00%	0.00%
Premium tax	2.00%	2.00%
Insurer fee	3.20%	3.48%
Exchange fee	0.00%	0.00%
Profit	3.00%	3.00%
Required premium in new period	\$399.09	\$423.02
Current premium PMPM	\$351.17	\$351.17
Average rating factors		
Plan	1.0073	1.0073
Normalized current premium PMPM	\$353.71	\$353.71
Necessary Rate Increase	12.83%	19.59%
Medical Loss Ratio	84.97%	85.08%