

**Anthem**<sup>®</sup>  
2015 Annual Report



**ADVANCING BETTER  
HEALTH CARE**



# LETTER TO OUR SHAREHOLDERS

Joseph R. Swedish—Chairman, President and CEO

## To Our Shareholders, Customers and Communities:

At Anthem, we have a singular focus to improve the lives and health of the members and communities we serve. This is a commitment we have upheld for more than 75 years, and one that continues to guide our strategy, growth and success. 2015 was a year of tremendous change for our company, our industry and for health care consumers. More than ever, consumers are looking to us to help them navigate the complexities of health care and provide them with affordable, high-quality health benefit solutions. We truly embraced this responsibility last year, and our strong financial and operational results reflect our continued success in delivering on these important commitments.

Anthem remains focused on generating value for our customers and shareholders by expanding access, safeguarding affordability, improving quality and creating a more simplified and personalized health care experience for consumers. In 2015, we made meaningful progress on each of these fronts.

In terms of access, our goal is to help as many consumers as possible get and stay covered so they receive the care they need, when and where they need it. Our affiliated health plans deployed a diverse portfolio of products and services, and increased our membership by 1.1 million members, or 2.9 percent, over 2014. We now proudly serve more than 38.6 million members through individual and employer-sponsored plans and through the Medicare, Medicaid and Federal Employee Health

Benefits programs. When you add in the members served by our specialty businesses and family of subsidiary companies, our work is directly and positively impacting the health of more than 72 million Americans nationwide.

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**2.9%**  
**GROWTH IN**  
**MEMBERSHIPS FROM**  
**2014–2015**

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Affordability remains a key priority for our health care system, and Anthem is committed to being an unwavering steward of health care affordability for our customers across all business lines. Drawing on a foundation of industry-leading analytic capabilities and the insights gained from the more than 700 million claims we process annually, our plans are managing the cost of care at both the individual and population levels. Last year, our plans deployed new approaches to health condition monitoring and management, we enhanced our fraud and abuse detection and recovery activities, optimized provider contracts and drug formularies, and honed in on clinical approaches like our AIM Specialty Health subsidiary's specialty management capabilities and our catalog of care management programs. At the end of 2015, we achieved a cost of care savings of more than \$1.4 billion through these and other initiatives.

We also built on our positive momentum and continued to launch innovative provider collaboration models to improve the quality of care and health outcomes of plan members. We maintain the industry's largest footprint of collaborative relationships with more than 55 percent of our total spend tied to better quality and better outcomes for health plan members. And our plans are actively evolving these relationships into true value-based partnerships with providers through shared risk, information, and decision-making and shared accountability and reward for improving member health.

Ultimately, the aim of access, affordability and quality is to help the consumer. Once consumers are enrolled, we must help them access necessary health care and help them realize the full benefits of their health care coverage. We made great strides in this area in 2015, investing in new tools and technologies that help consumers make better informed health care decisions and give them the confidence, clarity and ease to better navigate the health care system.

We know that despite the progress we've made and the results we delivered in 2015, there is more work to be done. As we look to the future, there are certainly challenges on the horizon, both anticipated and unpredictable. But working from a solid foundation, we are confident we can deliver greater value for consumers while strengthening our health care system for future generations. In fact, this was a key impetus behind our decision in 2015 to agree to acquire Cigna Corporation.

This acquisition, once completed, will help promote affordability by more effectively managing the rapidly rising costs of health care treatments. It will expand consumer access to affordable, high-quality health benefits. And it will deepen our collaborative relationships with providers to advance accountable, value-based care. This acquisition is currently under regulatory review and we expect to finalize the transaction in the second half of 2016. Until then, Anthem and Cigna remain competitors and may not combine operations, systems or contractual relationships. In the meantime, there will be no disruption in our operations and service, and we will follow through on our commitments to our customers and provider partners before, during, and after the transaction.

More than anything else, what we achieved in 2015 is a reflection of the tremendous dedication, passion and hard work of our 53,000 associates nationwide. All of us at Anthem share a deep commitment to building the kind of health care system we can all be proud of—one that is inclusive, affordable, innovative, and one that strengthens the health of our nation. Together, we are working to transform health care and advance our vision of being America's valued health partner.

Thank you for your interest, support and investment in Anthem.



**Joseph R. Swedish**

Chairman, President and CEO, Anthem, Inc.

# ADVANCING BETTER HEALTH CARE

Anthem is putting consumers on a clear and affordable path toward health and wellness. Our affiliated health plans are helping consumers fully understand their benefits, and enabling them to develop relationships with health care providers who truly care about them. By providing information that can help consumers make better informed decisions about their health care, our plans are helping empower them to take the wheel in their health care journey.

Our plans also are arming providers with tools and resources they can use to meet their patients' needs. When providers focus on the quality of the care they deliver rather than the quantity of patients they see each day, the result is improved health outcomes. Value-based payment models, driven by improved analytics and more personalized approaches to care, lay the groundwork for better health.

By creatively addressing cost challenges, we are enabling greater affordability for employers, consumers and providers. For example, our plans are tackling one of the most complex and costly diseases—cancer—by expanding proven care models that focus on quality care while also creating more affordable treatment options for a growing population.

Advancing better health care is the journey Anthem is mapping with the consumer in the driver's seat.



# EMPOWERING CONSUMERS

Anthem is committed to advancing the consumer's journey toward better health. That's why we're focused on delivering a more convenient and personalized health care experience. Anthem is investing in the tools, solutions and programs that are empowering consumers to take charge of their health and wellness—giving them the knowledge and power to make informed decisions about their care. This includes providing information on quality and cost for medical procedures, as well as access to their benefits in one convenient place.

## **COST/QUALITY TRANSPARENCY**

Access to cost and quality information is essential to help consumers choose the health care that's right for them. As an example, in 2015, we expanded a collaboration with Castlight Health, Inc. to provide innovative cost and quality decision-support tools, as well as develop new products that will make it easier for consumers to understand information on health care cost and quality. If consumers know exactly how

much a procedure will cost and can see cost variances and quality rankings among providers, they'll be empowered to make informed decisions about their care. The benefits don't stop there. Providing cost and quality transparency can foster greater market competition, which can potentially lead to lower costs and higher quality across the system over time.

Consumer-focused data coupled with Castlight's innovative, user-friendly web and mobile solutions have the potential to transform the health care industry, giving millions of consumers access to useful, actionable information on cost and quality right at their fingertips.

## SPECIALTY

Consumer convenience is also the focus of our "Sometimes More Is More" initiative, which promotes a more cohesive approach to providing our products and services. We're finding ways for all benefits—health and specialty, such as vision, dental, life and disability insurance—to work together, including making it easier for consumers to access all of their benefits. For example, there is one enrollment process, one member ID card and one sign-on for all of these products and services. Thanks largely to this initiative, membership in Anthem's Specialty Business increased 6.1 percent to nearly 21 million in 2015.

Beyond convenience, Anthem Whole Health Connection<sup>SM</sup> is simplifying how our dental, vision, life, disability and medical plans work together to promote better health outcomes and lower the total cost of care, drawing on data and analysis from Anthem's Resolution Health subsidiary. Consumers who are covered by our affiliated specialty and medical plans have more complete health profiles that can be shared with their providers. This gives providers the ability to identify and correct gaps in care and take other action based on a full health picture of the patient. The more information providers have about patients, the better they can meet their health care needs.

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**90%**

**OF ALL DISEASES PRODUCE  
SIGNS AND SYMPTOMS  
IN THE MOUTH.<sup>(1)</sup>**

**>23,000**

**MEMBERS WERE DIAGNOSED  
WITH DIABETES DURING AN  
EYE EXAM IN 2015.**

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<sup>(1)</sup>Academy of General Dentistry Know Your Teeth web site: Warning Signs in the Mouth Can Save Lives.  
(<http://www.knowyourteeth.com/infobites/abc/article/?iid=320&aid=1291&chapt=1>)

## TAILORED MEDICAID SOLUTIONS

Anthem also continues to invest significant time and resources to fully understand and serve the nearly 5.9 million plan members in state-sponsored programs across the country. While focusing on the needs of individual consumers, our plans are seeking out new and better ways to improve health outcomes with high-quality, cost-efficient programs that help society more broadly.

Florida ranks first in the nation in the number of newly diagnosed HIV infections and second in the number of pediatric HIV cases reported.<sup>1</sup> Clear Health Alliance, an HIV/AIDS Medicaid specialty plan offered by Simply Healthcare Plans, is addressing the special needs of those living with HIV/AIDS in Florida by offering bundled services tailored to their treatment requirements. Clear Health Alliance has expertise in and knowledge of Medicaid and HIV/AIDS drug treatment, an established local network of highly qualified HIV/AIDS treatment providers, and experienced care coordinators with the ability to manage “best in class” medical care. Clear Health Alliance goes beyond supporting its members’ medical needs by also offering access to social and behavioral health care services for HIV/AIDS patients. This truly sets our specialty health plan apart from other plans participating in Florida’s Medicaid managed care program.

By collaborating with community and technology partners, developing useful tools and products that offer convenient access to information and offering programs that address individuals’ health needs, Anthem is equipping consumers with the knowledge and support to better manage their health.

<sup>1</sup> Florida Department of Health: [www.floridahealth.gov](http://www.floridahealth.gov)



# ENGAGING PROVIDERS

Not only is Anthem helping consumers navigate the health care system—our plans are also engaging providers to ensure they have the tools and solutions to more fully support their patients' needs. We're advancing a payment system with a focus on quality not quantity, developing the analytics that can better drive an improved provider payment model and partnering with providers to create new products and services that better serve patient populations. Our goal is to pave a promising new road toward better health care for all.

## **ENHANCED PERSONAL HEALTH CARE**

Anthem has invested heavily in strengthening consumers' relationships with their doctors. We are leading the charge in transforming the health care system to embrace more proactive, coordinated and efficient models of care that improve quality and reduce costs. Enhanced Personal Health Care is the centerpiece program under our plans' provider collaboration strategy, known as Togetherworks.

Since the program's beginnings in 2012, participation has grown to 57,000 providers who care for 4.58 million members and have seen significant improvements in cost of care and patient experience. During the first year of enrollment, we demonstrated a net savings of \$130 million in the most recent analysis of overall program impact. Overall costs for members in the program were 3.3 percent lower than non-participating members, generating a savings of more than \$9.51 per attributed member per month.

***Participating providers performed better than non-participating peers***

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**9.6%**

**BETTER IN PEDIATRIC  
PREVENTIVE CARE**

**4.8%**

**BETTER IN ANNUAL  
MONITORING OF PER-  
SISTENT MEDICATIONS**

**3.9%**

**BETTER IN OTHER  
ACUTE AND CHRONIC  
CARE MEASURES**

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In our analysis of patient experience, cost savings stemmed from a variety of areas, including drops in acute inpatient stays, with members attributed to a participating provider showing 7.8 percent fewer acute inpatient admissions, fewer emergency room visits and lower spending on outpatient care, compared to members whose providers were not participating. Utilization and cost data for members who saw participating providers also showed 3.5 percent lower costs for emergency room visits. Not only are providers better managing their costs, more importantly they are better managing the health of consumers.

**RESOLUTION HEALTH, INC.**

Anthem subsidiary Resolution Health, Inc. (RHI) provides analytic solutions that play key roles in achieving the positive results we are seeing through Enhanced Personal Health Care as well as powering the actionable alerts providers see on their care management system dashboards. While RHI analyzes claims data, lab results and clinical results for more than 38 million affiliated health plans' members, it also specifically supports measures for more than 4.5 million health plan members and 57,000 providers participating in the Enhanced Personal Health Care program. In 2015, RHI added 188 new clinical measures that supported enhanced care gap identification and the expansion of physician scorecards to improve overall patient and population health. For instance, one measure identifies patients between 18 and 75 years old who have diabetes and who had a retinal eye exam in the last two years. Diabetic retinopathy is a highly specific vascular complication of both type 1 and type 2 diabetes and can lead to vision loss.

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# 188

FROM 2014–2015,  
ADDED 188 CLINICAL  
HEALTH MEASURES

# 40%

FROM 2014–2015,  
REDUCED DATA EVALUA-  
TION TIME BY 40%

# 90%

FROM 2014–2015,  
IMPROVED ACCURACY  
OF DATA TO 90%

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In 2015, RHI upgraded technology to enable it to process even more data—going from three years’ worth of patient information to five years’ worth—creating a more robust consumer health record. The scale of the data increased from 2.4 billion results to 4.5 billion results. RHI has also reduced by 40 percent the time it takes to evaluate data. What once took days to analyze now takes hours. Having more information available at a faster rate yields more accurate and timely information for providers and members to act upon. Now providers have near real-time information that can help them better manage their patient populations, and consumers are getting more individualized care.

## PROVIDER PARTNERSHIPS

Provider collaboration efforts go beyond innovative payment models. We are taking an active role in engaging providers to create products that meet the needs of consumers in their communities. In rural resort areas of Colorado, Anthem’s health plan, the Vail Valley Medical Center in Eagle County and Centura Health, have created a partnership to expand a new lower cost health plan. The Mountain Enhanced Network Health Plan was created for individuals purchasing insurance on or off the Colorado health exchange marketplace. In 2015, the plan expanded the offering to small and large employers for their employees living and working in the mountain communities. This plan helps keep health care local, giving residents the ability to receive care from physicians and providers in the communities where they live and work, while helping to manage health insurance premiums in Colorado’s mountain communities.

Our Colorado health plan also partnered with Script Adviser, a Denver-based infectious disease medical practice that delivers consultation services on complex cases to primary care physicians and other providers via the Internet. The partnership gives providers across the state access to infectious disease specialists via telemedicine for Colorado members who otherwise might require emergency care, hospital admission or would have to be transported from a rural, mountain community to metro areas for care. For Coloradoans who live far from major medical centers, this means they can stay at home rather than travel to a metro area to receive care.

These advanced payment models, analytical solutions and partnerships with physician groups have helped providers better manage their patient populations. When we keep our focus on the health of the consumer and the quality of care, we can truly advance better health care for all.



# ENHANCING QUALITY & AFFORDABILITY

Advancing better health care shouldn't break the bank. If health is well managed with a focus on improving outcomes and a holistic approach to patient care, we can achieve affordability for employers, consumers and providers. Anthem is working to remove the financial roadblocks to healing, managed care and better health.

## **CANCER CARE QUALITY PROGRAM**

With more cancer treatment options, medical research and evidence available to us than ever before, it can be difficult for providers to keep up with advancements and identify treatment options that take into account clinical benefit and cost. The Cancer Care Quality Program does just that. It identifies cancer treatment pathways based on current medical evidence, peer-reviewed published literature and consensus guidelines, and uses this information to support oncologists in identifying cancer treatment therapies that are highly effective and provide greater value. The Cancer Care Quality Program, developed with our subsidiary AIM Specialty Health, is the first oncology value-based payment model to be used by a group of health insurers for almost all of their commercial and Medicare Advantage members.

In 2015, it became clear that this cancer quality initiative and payment model was taking hold with oncologists. Approximately two-thirds of patients with colon, breast and non-small cell lung cancer were registered with the Cancer Care Quality Program, based on chemotherapy claims data and analysis from HealthCore, our outcomes subsidiary. This figure increased to more than 78 percent when taking into consideration those practices that had at least one patient registered with the program. Seventy-two percent of registered patients with colon cancer were being treated with a therapy designated on pathway and recommended by an Anthem plan as one of the regimens most likely to produce the best outcomes, the fewest side effects and the most cost-effective care. For patients with breast cancer and non-small cell lung cancer, in both cases 63 percent were on pathway.



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Seventy-two percent of registered patients with colon cancer were being treated with a therapy designated on pathway and recommended by an Anthem plan as one of the regimens most likely to produce the best outcomes, the fewest side effects and the most cost-effective care.



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Anthem is shifting the model of how our plans pay for cancer care and, in turn, improving the quality of care. By reimbursing for treatment planning and care coordination, the link between drug margin and practice revenue is weakened. The Cancer Care Quality Program resoundingly demonstrates that it is possible to provide high-quality care while maintaining a level of affordability.

## **MEDICAID CAREMORE CARE CENTERS**

Our plans' goals are to improve health outcomes by taking into account the consumer's complete health profile and meeting his or her health care needs, no matter how complex. This can lead to improved health care savings in the long term. CareMore's nationally recognized clinical care model has been highly successful in managing the Medicare patient population, and now CareMore is expanding its Care Center model to serve the Medicaid population.

In Tennessee, on average, more than 70 percent of the Medicaid population is enrolled in some form of managed care.<sup>1</sup> In 2015, three CareMore Care Centers opened in Memphis to meet the needs of the Medicaid population enrolled in an Amerigroup plan. CareMore Care Centers offer a holistic approach to health and include everything from chronic condition care management to behavioral health support. This care model ensures consumers are getting the necessary preventive and coordinated care to

prevent health conditions from worsening and to avoid costly emergency events—getting and keeping patients healthy.

CareMore will continue to adapt its model of care to serve Medicaid and Medicare populations, and will continue to search for opportunities to collaborate with the Anthem family of companies to change the way health care is delivered.

## **MEDICARE INITIATIVES**

As the Medicare population continues to expand—projected to grow from 54 to 93 million beneficiaries by 2050<sup>2</sup>—it is important to further invest in the programs and initiatives that support this population. Anthem is focusing on making sure their needs are addressed by adding health plans that support those who are Medicare and Medicaid eligible, developing HMOs and PPOs specific to Medicare, providing Medicare Supplement plans to those who want them, launching select plans focused on more integrated care and expanding telehealth options.

Consumers' costs concerns are addressed with Dual-Eligible Special Needs Plans (DSNPs) that are primarily \$0 premium plans with \$0 copays. They include dental and vision coverage, many feature some transportation to doctor's appointments, and some include coverage for over-the-counter drug costs. HMOs and PPOs specifically focused on accommodating the needs of the Medicare population are now available in targeted markets in 22 states. In specific markets in California and Texas, our Medicare Select plans feature tight-knit provider collaboration. Also, convenient online doctor visits are available to most of Anthem's affiliated Medicare Advantage plans through LiveHealth Online.

Additionally, Anthem continues to offer Medicare Supplement plans, commonly known as Medigap plans, to new enrollees in 13 states and standalone prescription drug plans in 13 states.

Focusing on areas where cost trends are high and creating the programs and initiatives that support quality care, we are enabling more affordable health care for senior members. We all have a role to play. About 40 percent of Anthem's Medicare plan members are being cared for by providers in collaborative relationships. Providers are vested in their patients, consumers are vested in their health and we are vested in our vision to be America's valued health partner.

<sup>1</sup>Medicaid.gov

<sup>2</sup>Congressional Budget Office, "The 2014 Long-Term Budget Outlook," available at <http://www.cbo.gov/publication/45471>



# STEWARDSHIP

At Anthem, we are committed to being good stewards of the communities we serve and the people we employ. We believe it's important to foster an environment of generosity—by giving significant time and resources to worthy causes—and to lead by example. We invest greatly in our people and communities to achieve our goal of being a connected, committed and caring company.

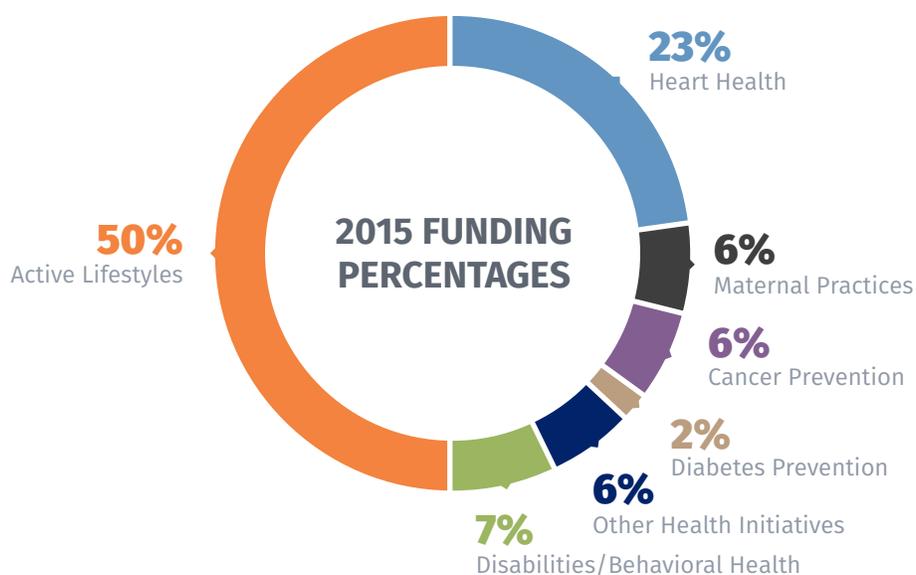
Every day, countless organizations are working hard to improve the health and well-being of people in communities all across this country. But no one can make a difference working alone. We know that changing behaviors, tearing down barriers and empowering individuals to live healthier lives all require a shared commitment—of vision, effort and resources.

Through our *Healthy Generations* grant program, the Anthem Foundation—the charitable arm of Anthem, Inc.—is tackling some of the nation's most pressing health concerns and issues. The Foundation works closely with partner organizations that not only share our vision for a healthier future, but have set a

high standard with innovative programs that are changing the way people view their health. Whether it's encouraging preventive cancer screening, or showing children how much fun eating healthy and being active can be, or demonstrating how a person can save a life using *Hands-Only™ CPR*—our Foundation-supported initiatives are championing change and improving the health of our communities, all while underscoring the power of partnerships to make a lasting difference.

## Over \$165 Million in Grants

awarded to organizations that support Healthy Generations since 2000.



In 2015, the Anthem Foundation along with our partner organizations continued to raise the bar in key areas of focus, including cancer and diabetes prevention, prenatal care, heart health and active lifestyles.

For example, we helped train millions of people across the country on *Hands-Only™ CPR*. But our commitment to this critical skill didn't stop there. Together with the American Heart Association, we took over one of the most iconic locations in the country to attempt to set a Guinness World Record for the "Most People in a CPR Relay." Over a period of 12 hours, community and local leaders, celebrities, athletes, area residents and tourists from all over joined us in Times Square, New York, to officially break the record.

In a year marked by several special milestones, we hit the road in the summer with the Boys and Girls Clubs of America as they celebrated the 10-year anniversary of their signature health and wellness *Triple Play Program*. Making its way through 17 cities coast-to-coast, the tour inspired and motivated young people to commit to wellness in mind, body and spirit. Kids and teens demonstrated their excitement and dedication to achieving a healthier lifestyle by logging more than 10,000 miles, completing 330,000+ jumping jacks and burning more than 3 million calories. And, to commemorate this special anniversary, the tour made more than 10 million connections with kids around the country.

We know that our Foundation's partnerships with national and local nonprofits are vital to help meet the needs of so many, but that doesn't tell the full story of our commitment. We are inspired by our many associates who prove time and time again that no job is too small or too big in giving back to our

# 61,384 VOLUNTEER HOURS EARNING \$307,950 IN GRANTS

*through Anthem's Dollars for Doers Program.*

communities. In a nationwide effort, we teamed with Lions Club International last October for *Anthem Volunteer Days*—the company's month of service. More than 2,000 associates rolled up their sleeves and clocked more than 12,000 volunteer hours in their communities. Throughout the year, our associates can be found volunteering at their favorite organizations, and their efforts are boosted by the company's *Dollars for Doers Program* and *Volunteer Time Off* benefit. Last year our associates collectively helped raise more than \$300,000 for their favorite organizations, and gave more than 60,000 hours of community service.

Just as we invest in our communities, Anthem is also investing in our associates. In 2015, the company expanded a partnership with Southern New Hampshire University's College for America, a fully accredited, non-profit online institution offering convenient, self-paced college curriculum tailored for working adults. College for America allows its students to earn associate or bachelor's degrees at an affordable cost. Anthem piloted a program offering to pay tuition for New Hampshire associates who enrolled and earned their degree. After the successful pilot, Anthem expanded the program in 2015 to all eligible Anthem

associates. Through Anthem's Education Assistance benefit, associates who successfully complete the College for America curriculum can earn their degree for free, with Anthem paying the cost of tuition.

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**2050**

**ANTHEM ASSOCIATES ENROLLED**

**35**

**ANTHEM GRADUATES**

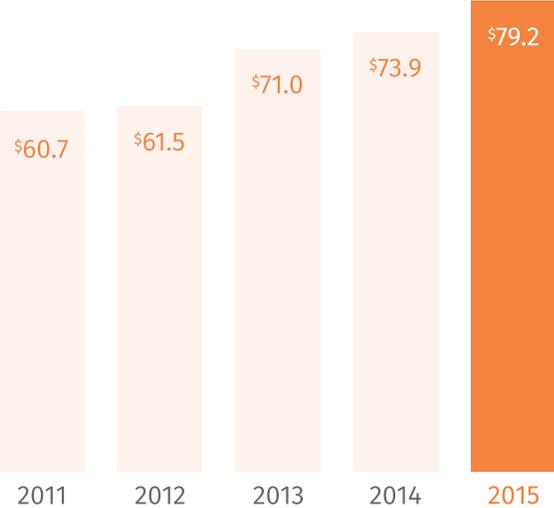
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College for America's focus on real-world projects and business competencies as well as its self-paced program allows participants to complete their degree on an accelerated schedule, quickly opening doors to new, broader roles and responsibilities within Anthem. We understand the importance of talent development and higher education for career advancement. When we invest in our associates and give them the tools to develop their skills and abilities, we can help them build rewarding and productive careers here at Anthem—and realize their full potential to contribute to their and their company's success.

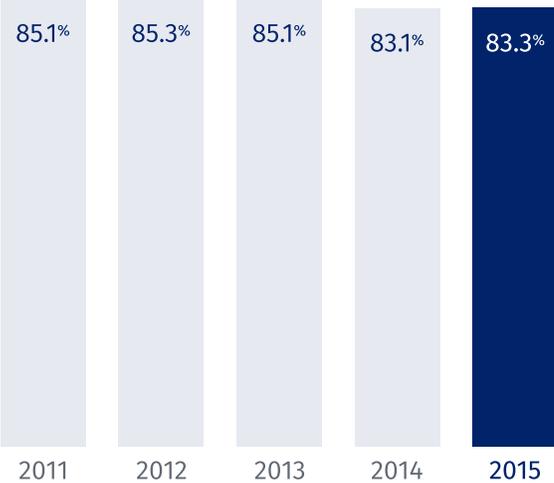
# FINANCIAL HIGHLIGHTS

## TOTAL REVENUE

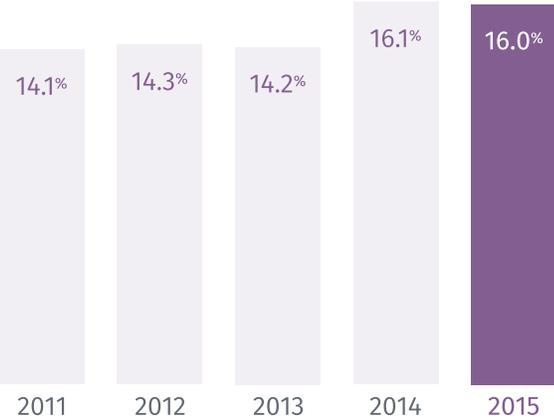
(In Billions)



## BENEFIT EXPENSE RATIO

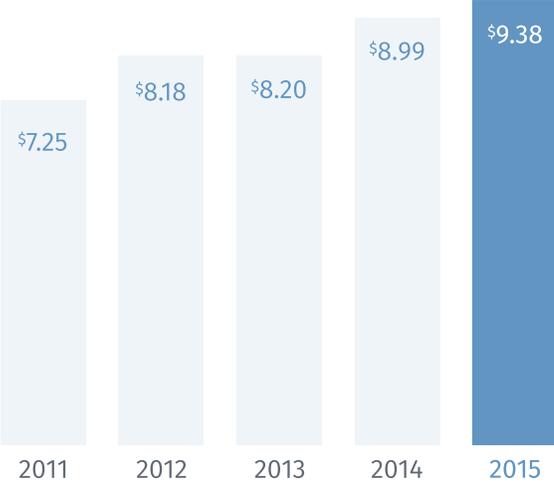


## SELLING, GENERAL AND ADMINISTRATIVE EXPENSE RATIO

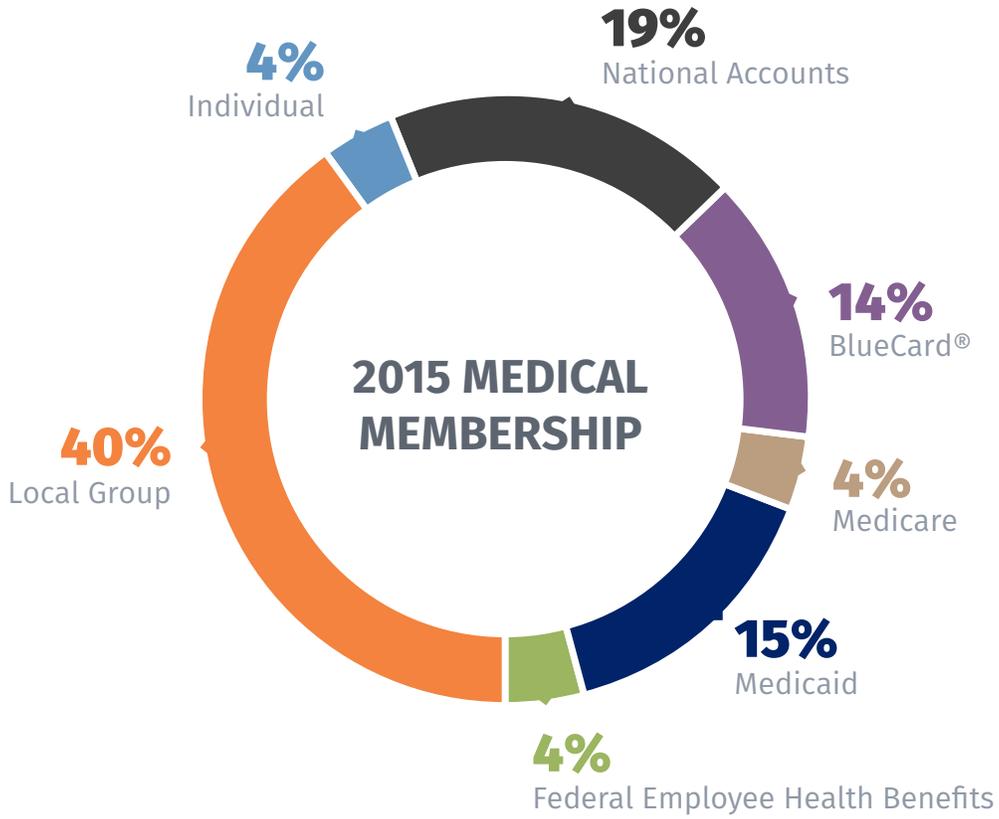


## DILUTED NET INCOME PER SHARE

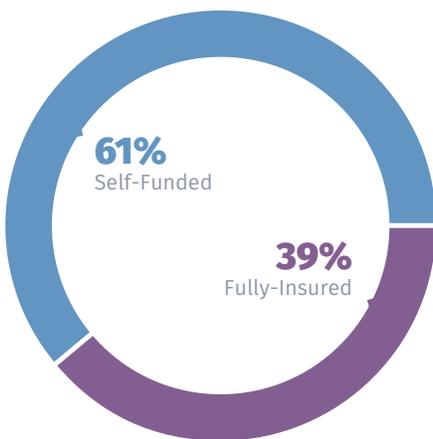
(In Whole Dollars)



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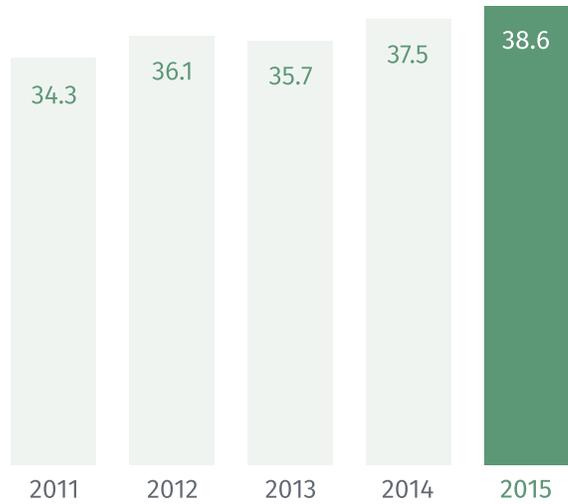


### CUSTOMER BASE



### TOTAL MEDICAL MEMBERSHIP

(In Millions)



# Financial and Membership Highlights

THE INFORMATION PRESENTED BELOW IS AS REPORTED IN ANTHEM'S 2015 ANNUAL REPORT ON FORM 10-K.

<i>(Dollars in millions, except per share data)</i>	2015	2014	2013
<b>OPERATING RESULTS</b>			
Total operating revenue	\$78,404.8	\$73,021.7	\$70,191.4
Total revenue	79,156.5	73,874.1	71,023.5
Net income	2,560.0	2,569.7	2,489.7
<b>Earnings Per Share</b>			
Basic net income	\$ 9.73	\$ 9.31	\$ 8.34
Diluted net income	9.38	8.99	8.20
Dividends per share <i>(In whole dollars)</i>	2.50	1.75	1.50
<b>Balance Sheet Information</b>			
Total assets	\$61,717.8	\$61,676.3	\$59,095.3
Total liabilities	38,673.7	37,425.0	34,330.1
Total shareholders' equity	23,044.1	24,251.3	24,765.2
<b>MEDICAL MEMBERSHIP (in thousands)</b>			
Commercial and Specialty Business	29,678	29,364	28,307
Government Business	8,921	8,135	7,346
Total Medical Membership	38,599	37,499	35,653
<b>Customer Type</b>			
Local Group	15,241	15,137	14,725
Individual	1,675	1,793	1,755
National:			
National Accounts	7,355	7,155	6,777
BlueCard®	5,407	5,279	5,050
Total National	12,762	12,434	11,827
Medicare	1,439	1,404	1,441
Medicaid	5,914	5,193	4,378
FEP	1,568	1,538	1,527
Total Medical Membership by Customer Type	38,599	37,499	35,653

*(continued)*

(continued)

<b>Funding Arrangement</b>			
Self-Funded	23,666	22,800	20,294
Fully-Insured	14,933	14,699	15,359
Total Medical Membership by Funding Arrangement	38,599	37,499	35,653
<b>Other Membership</b>			
Life and Disability Members	4,849	4,762	4,819
Dental Members	5,206	4,995	4,895
Dental Administration Members	5,282	4,918	4,886
Vision Members	5,641	5,096	4,743
Medicare Advantage Part D Members	622	690	628
Medicare Part D Standalone Members	371	467	474

Note 1: The information presented above should be read in conjunction with the audited consolidated financial statements and accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in Anthem's 2015 Annual Report on Form 10-K.

Note 2: Certain prior year amounts have been reclassified to conform to current year presentation.

# Consolidated Balance Sheets

<i>(Dollars in millions, except share data)</i>	December 31, 2015	December 31, 2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,113.5	\$ 2,151.7
Investments available-for-sale, at fair value:		
Fixed maturity securities (amortized cost of \$16,950.0 and \$17,120.4)	16,920.0	17,467.4
Equity securities (cost of \$1,055.8 and \$1,303.7)	1,441.8	1,906.6
Other invested assets, current	19.1	20.2
Accrued investment income	170.8	161.4
Premium and self-funded receivables	4,602.8	4,825.5
Other receivables	2,421.4	2,117.0
Income taxes receivable	316.6	308.9
Securities lending collateral	1,300.4	1,515.2
Other current assets	1,555.7	1,473.9
<b>Total current assets</b>	<b>30,862.1</b>	<b>31,947.8</b>
Long-term investments available-for-sale, at fair value:		
Fixed maturity securities (amortized cost of \$550.4 and \$500.7)	558.2	504.4
Equity securities (cost of \$27.3 and \$27.0)	31.0	31.5
Other invested assets, long-term	2,041.1	1,695.9
Property and equipment, net	2,019.8	1,944.3
Goodwill	17,562.2	17,082.0
Other intangible assets	8,158.0	7,958.1
Other noncurrent assets	485.4	512.3
<b>Total assets</b>	<b>\$61,717.8</b>	<b>\$61,676.3</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Current liabilities:		
Policy liabilities:		
Medical claims payable	\$ 7,569.8	\$ 6,861.2
Reserves for future policy benefits	71.9	68.1
Other policyholder liabilities	2,256.5	2,626.5
<b>Total policy liabilities</b>	<b>9,898.2</b>	<b>9,555.8</b>
Unearned income	1,145.5	1,078.1

(continued)

(continued)

Accounts payable and accrued expenses	3,318.8	3,651.8
Security trades pending payable	73.1	66.2
Securities lending payable	1,300.9	1,515.3
Short-term borrowings	540.0	400.0
Current portion of long-term debt	—	624.3
Other current liabilities	2,816.1	1,861.2
<b>Total current liabilities</b>	<b>19,092.6</b>	<b>18,752.7</b>
Long-term debt, less current portion	15,324.5	14,019.6
Reserves for future policy benefits, noncurrent	631.7	671.3
Deferred tax liabilities, net	2,630.6	2,945.6
Other noncurrent liabilities	994.3	1,035.8
<b>Total liabilities</b>	<b>38,673.7</b>	<b>37,425.0</b>
Commitments and contingencies—Note 13 included in 2015 Annual Report on form 10-K		
<b>Shareholders' equity</b>		
Preferred stock, without par value, shares authorized—100,000,000; shares issued and outstanding—none	—	—
Common stock, par value \$0.01, shares authorized—900,000,000; shares issued and outstanding—261,238,188 and 268,109,932	2.6	2.7
Additional paid-in capital	8,555.6	10,062.3
Retained earnings	14,778.5	14,014.4
Accumulated other comprehensive (loss) income	(292.6)	171.9
<b>Total shareholders' equity</b>	<b>23,044.1</b>	<b>24,251.3</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$61,717.8</b>	<b>\$61,676.3</b>

Note 1: The information presented above should be read in conjunction with the audited financial statements and accompanying notes included in Anthem's 2015 Annual Report on Form 10-K.

Note 2: Certain prior year amounts have been reclassified to conform to current year presentation.

# Consolidated Statements of Income

Years Ended December 31

<i>(Dollars in millions, except per share data)</i>	2015	2014	2013
<b>REVENUES</b>			
Premiums	\$73,385.1	\$68,389.8	\$66,119.1
Administrative fees	4,976.6	4,590.6	4,031.9
Other revenue	43.1	41.3	40.4
Total operating revenue	78,404.8	73,021.7	70,191.4
Net investment income	677.6	724.4	659.1
Net realized gains on investments	157.5	177.0	271.9
Other-than-temporary impairment losses on investments:			
Total other-than-temporary impairment losses on investments	(99.9)	(56.2)	(100.6)
Portion of other-than-temporary impairment losses recognized in other comprehensive income	16.5	7.2	1.7
Other-than-temporary impairment losses recognized in income	(83.4)	(49.0)	(98.9)
Total revenues	79,156.5	73,874.1	71,023.5
<b>EXPENSES</b>			
Benefit expense	61,116.9	56,854.9	56,237.1
Selling, general and administrative expense:			
Selling expense	1,441.1	1,490.1	1,526.9
General and administrative expense	11,093.7	10,258.3	8,426.0
Total selling, general and administrative expense	12,534.8	11,748.4	9,952.9
Interest expense	653.0	600.7	602.7
Amortization of other intangible assets	230.1	220.9	245.3
(Gain) loss on extinguishment of debt	(9.3)	81.1	145.3
Total expenses	74,525.5	69,506.0	67,183.3
<b>Income from continuing operations before income tax expense</b>	4,631.0	4,368.1	3,840.2
Income tax expense	2,071.0	1,808.0	1,205.9
<b>Income from continuing operations</b>	2,560.0	2,560.1	2,634.3
<b>Income (loss) from discontinued operations, net of tax</b>	—	9.6	(144.6)
<b>Net income</b>	\$ 2,560.0	\$ 2,569.7	\$ 2,489.7

(continued)

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<b>Basic net income (loss) per share:</b>			
Basic—continuing operations	\$ 9.73	\$ 9.28	\$ 8.83
Basic—discontinued operations	—	0.03	(0.49)
Basic net income per share	\$ 9.73	\$ 9.31	\$ 8.34
<b>Diluted net income (loss) per share:</b>			
Diluted—continuing operations	\$ 9.38	\$ 8.96	\$ 8.67
Diluted—discontinued operations	—	0.03	(0.47)
Diluted net income per share	\$ 9.38	\$ 8.99	\$ 8.20
<b>Dividends per share</b>	\$ 2.50	\$ 1.75	\$ 1.50

The information presented above should be read in conjunction with the audited consolidated financial statements and accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in Anthem's 2015 Annual Report on Form 10-K.

# Consolidated Statements of Comprehensive Income

Years Ended December 31

<i>(Dollars in millions)</i>	2015	2014	2013
<b>Net income</b>	\$2,560.0	\$2,569.7	\$2,489.7
Other comprehensive (loss) income, net of tax:			
Change in net unrealized gains/losses on investments	(384.3)	118.6	(294.7)
Change in non-credit component of other-than-temporary impairment losses on investments	(5.6)	(3.9)	1.7
Change in net unrealized gains/losses on cash flow hedges	(45.2)	(3.6)	3.0
Change in net periodic pension and postretirement costs	(26.0)	(118.1)	172.7
Foreign currency translation adjustments	(3.4)	(4.3)	1.4
<b>Other comprehensive loss</b>	(464.5)	(11.3)	(115.9)
<b>Total comprehensive income</b>	\$2,095.5	\$2,558.4	\$2,373.8

The information presented above should be read in conjunction with the audited financial statements and accompanying notes included in Anthem's 2015 Annual Report on Form 10-K.

# Consolidated Statements of Cash Flows

Years Ended December 31

<i>(Dollars in millions)</i>	2015	2014	2013
<b>OPERATING ACTIVITIES</b>			
Net income	\$ 2,560.0	\$ 2,569.7	\$ 2,489.7
Adjustments to reconcile net income to net cash provided by operating activities:			
Net realized gains on investments	(157.5)	(177.0)	(271.9)
Other-than-temporary impairment losses recognized in income	83.4	49.0	98.9
(Gain) loss on extinguishment of debt	(9.3)	81.1	145.3
(Gain) loss on disposal from discontinued operations	—	(3.2)	221.8
Loss (gain) on disposal of assets	16.0	(1.7)	3.9
Deferred income taxes	(65.9)	30.7	59.1
Amortization, net of accretion	802.1	744.5	800.9
Depreciation expense	105.8	106.5	107.9
Impairment of property and equipment	1.8	7.9	47.7
Share-based compensation	148.2	168.9	146.0
Excess tax benefits from share-based compensation	(95.8)	(46.4)	(30.1)
Changes in operating assets and liabilities:			
Receivables, net	(42.9)	(1,899.7)	418.3
Other invested assets	5.9	(21.7)	(15.1)
Other assets	33.8	405.5	(33.6)
Policy liabilities	193.0	1,240.6	(345.8)
Unearned income	33.9	255.1	(73.8)
Accounts payable and accrued expenses	(219.3)	(14.4)	303.6
Other liabilities	686.4	(7.9)	(154.6)
Income taxes	41.5	(34.0)	9.3
Other, net	(5.1)	(84.2)	(38.6)
<b>Net cash provided by operating activities</b>	<b>4,116.0</b>	<b>3,369.3</b>	<b>3,052.3</b>

*(continued)*

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## INVESTING ACTIVITIES

Purchases of fixed maturity securities	(9,792.0)	(9,613.4)	(13,704.5)
Proceeds from fixed maturity securities:			
Sales	8,909.2	8,066.0	10,977.9
Maturities, calls and redemptions	1,313.6	1,318.7	1,836.8
Purchases of equity securities	(1,561.4)	(912.0)	(820.3)
Proceeds from sales of equity securities	1,471.1	746.5	721.0
Purchases of other invested assets	(505.8)	(205.7)	(251.5)
Proceeds from sales of other invested assets	85.9	124.7	127.1
Settlement of non-hedging derivatives	(36.5)	(67.4)	(109.8)
Changes in securities lending collateral	214.4	(545.6)	(405.1)
Purchases of subsidiaries, net of cash acquired	(638.9)	—	—
Proceeds from sale of subsidiary, net of cash sold	—	740.0	—
Purchases of property and equipment	(638.2)	(714.6)	(646.5)
Proceeds from sales of property and equipment	35.3	88.0	39.2
Other, net	(8.2)	(0.1)	1.3
<b>Net cash used in investing activities</b>	<b>(1,151.5)</b>	<b>(974.9)</b>	<b>(2,234.4)</b>

## FINANCING ACTIVITIES

Net proceeds from (repayments of) commercial paper borrowings	682.2	(379.2)	(191.7)
Proceeds from long-term borrowings	1,226.5	2,700.0	1,250.0
Repayments of long-term borrowings	(2,697.2)	(1,730.1)	(1,801.9)
Proceeds from short-term borrowings	2,760.0	2,050.0	1,100.0
Repayments of short-term borrowings	(2,620.0)	(2,050.0)	(950.0)
Changes in securities lending payable	(214.4)	545.6	405.0
Changes in bank overdrafts	(243.8)	173.0	9.9
Premiums paid on equity call options	(16.7)	—	(25.8)
Proceeds from sale of put options	16.6	—	—
Repurchase and retirement of common stock	(1,515.8)	(2,998.8)	(1,620.1)
Cash dividends	(656.6)	(480.7)	(448.0)
Proceeds from issuance of common stock under employee stock plans	186.0	301.3	524.7
Excess tax benefits from share-based compensation	95.8	46.4	30.1
<b>Net cash used in financing activities</b>	<b>(2,997.4)</b>	<b>(1,822.5)</b>	<b>(1,717.8)</b>

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<b>Effect of foreign exchange rates on cash and cash equivalents</b>	(5.3)	(7.1)	2.2
Change in cash and cash equivalents	(38.2)	564.8	(897.7)
Cash and cash equivalents at beginning of year	2,151.7	1,586.9	2,484.6
<b>Cash and cash equivalents at end of year</b>	<b>2,113.5</b>	<b>2,151.7</b>	<b>1,586.9</b>
<b>Less cash and cash equivalents of discontinued operations at end of year</b>	<b>—</b>	<b>—</b>	<b>(4.8)</b>
<b>Cash and cash equivalents of continuing operations at end of year</b>	<b>\$ 2,113.5</b>	<b>\$ 2,151.7</b>	<b>\$ 1,582.1</b>

The information presented above should be read in conjunction with the audited financial statements and accompanying notes included in Anthem's 2015 Annual Report on Form 10-K.

# Common Stock

Our common stock, par value \$0.01 per share, is listed on the NYSE under the symbol “ANTM.” On February 4, 2016, the closing price on the NYSE was \$126.64. As of February 4, 2016, there were 71,430 shareholders of record of our common stock. The following table presents high and low sales prices for our common stock on the NYSE for the periods indicated.

	High	Low
<b>2015</b>		
First Quarter	\$160.64	\$122.86
Second Quarter	173.59	148.29
Third Quarter	165.93	134.62
Fourth Quarter	149.87	126.25
<b>2014</b>		
First Quarter	\$102.56	\$ 81.84
Second Quarter	110.03	90.75
Third Quarter	124.58	106.52
Fourth Quarter	129.96	108.92

# Corporate Information

Anthem is working to transform health care with trusted and caring solutions. Our health plan companies deliver quality products and services that give their members access to the care they need. With over 72 million people served by its affiliated companies, including more than 38 million enrolled in its family of health plans, Anthem is one of the nation's leading health benefits companies.

We're an independent licensee of the Blue Cross and Blue Shield Association. Anthem companies serve members as the Blue Cross licensee for California; and as the Blue Cross and Blue Shield licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri (excluding 30 counties in the Kansas City area), Nevada, New Hampshire, New York (as the Blue Cross Blue Shield licensee in 10 New York City metropolitan and surrounding counties and as the Blue Cross or Blue Cross Blue Shield licensee in selected upstate counties only), Ohio, Virginia (excluding the Northern Virginia suburbs of Washington, D.C.), and Wisconsin. In most of these service areas, our plans do business as Anthem Blue Cross, Anthem Blue Cross and Blue Shield, Blue Cross and Blue Shield of Georgia and Empire Blue Cross Blue Shield, or Empire Blue Cross (in the New York service areas). Anthem, Inc. subsidiaries Amerigroup, CareMore, UniCare and Healthlink also serve consumers in many states across the country and its subsidiary Simply Healthcare Plans serves the Medicaid and Medicare populations in Florida. Additional information about Anthem, Inc. is available at [www.AnthemInc.com](http://www.AnthemInc.com).

## CORPORATE HEADQUARTERS

### **Anthem**

120 Monument Circle  
Indianapolis, Indiana 46204-4903  
[www.AnthemInc.com](http://www.AnthemInc.com)

## ACCOUNT QUESTIONS

Our transfer agent, Computershare, can help you with a variety of shareholder-related services, including:

- Change of address
- Transfer of stock to another person
- Lost stock certificates
- Additional administrative services

Please include your name, address and telephone number with all correspondence, and specify a convenient time to contact you.

## ACCOUNT QUESTIONS

You can call Computershare toll-free at: (866) 299-9628 Monday through Friday, excluding holidays, from 8:30 a.m. to 6 p.m. Eastern Time.

Written correspondence can be sent to:  
Anthem Shareholder Services  
c/o Computershare Trust Company, N.A.  
P.O. Box 43037  
Providence, Rhode Island 02940-3037

## EXECUTIVE LEADERSHIP

### Joseph R. Swedish

Chairman, President and  
Chief Executive Officer

### Wayne S. DeVeydt

Executive Vice President and  
Chief Financial Officer

### Craig Samitt, M.D.

Executive Vice President and  
Chief Clinical Officer

### Brian Griffin

Executive Vice President, President,  
Commercial and Specialty Business Division

### Jose Tomas

Executive Vice President and  
Chief Human Resources Officer

### Peter D. Haytaian

Executive Vice President, President,  
Government Business Division

### Thomas C. Zielinski

Executive Vice President and  
General Counsel

### Gloria McCarthy

Executive Vice President and Chief Administrative  
Officer

## BOARD OF DIRECTORS

### Joseph R. Swedish<sup>1, 6</sup>

Chairman of the Board, President and Chief  
Executive Officer, Anthem, Inc.

### R. Kerry Clark<sup>3, 4, 7</sup>

Former Chairman and Chief Executive Officer,  
Cardinal Health, Inc.

### Robert L. Dixon, Jr.<sup>3, 5, 7</sup>

Senior Vice President and Global Chief  
Information Officer, PepsiCo, Inc.

### Lewis Hay, III<sup>3, 5, 6</sup>

Former Chairman and CEO, NextEra Energy, Inc.

### Julie A. Hill<sup>3, 4, 7</sup>

Owner of The Hill Company

### Ramiro G. Peru<sup>3, 4, 6</sup>

Former Executive Vice President and Chief  
Financial Officer, Phelps Dodge Corporation

### William J. Ryan<sup>3, 5, 7</sup>

Former Chairman, President and CEO,  
TD Banknorth Inc.

### George A. Schaefer, Jr.<sup>2, 3, 4, 5, 6, 7</sup>

Former Chairman and CEO, Fifth Third Bank

### Elizabeth E. Tallett<sup>3, 5, 6, 7</sup>

Former Principal, Hunter Partners LLC

<sup>1</sup> Chairman of the Board

<sup>2</sup> Lead Director

<sup>3</sup> Independent Director

<sup>4</sup> Audit Committee

<sup>5</sup> Compensation Committee

<sup>6</sup> Executive Committee

<sup>7</sup> Governance Committee