



Anthem to Acquire America's 1st Choice

Indianapolis – October 24, 2017 - Anthem, Inc. (NYSE:ANTM) today announced that the company has entered into an agreement to acquire America's 1st Choice, a privately-held for-profit Medicare Advantage organization that offers HMO products, including Chronic Special Needs Plans (C-SNP) and Dual-Eligible Special Needs Plans under its Freedom Health and Optimum brands in Florida. The company also operates America's 1st Choice of South Carolina.

"Over the last four years, Anthem has made a commitment to improve the performance and quality of our Medicare platform, ensuring we provide greater access to high-quality, affordable health care," said Joseph R. Swedish, Chairman, President and Chief Executive Officer, Anthem. "As we look ahead, we will continue to maintain a diligent focus on innovating our Medicare Advantage product portfolio. The acquisition of America's 1st Choice, which has strong technology tools and expertise designing and implementing engagement programs, fits well with our growth objective and will also enhance our ability to deliver a broad variety of cost-effective high quality plans to meet the diverse needs of the Medicare population."

America's 1st Choice has grown to become one of Florida's preferred Medicare Advantage plans and a leading C-SNP in Florida. The company currently serves approximately 130,000 members through its Medicare Advantage plans in 25 Florida and three South Carolina counties. Its proprietary technology tools, managerial processes and member engagement programs help the company deliver efficient, cost-effective health care services to its members. Additionally, America's 1st Choice provides clinical and administrative support that enables its broad network of providers to better manage care for members in a high quality and cost-effective manner. Its health plans were rated by The Centers for Medicare and Medicaid (CMS) as 5.0 and 4.0 in their Star Ratings for 2018.

"This acquisition further demonstrates our commitment to capitalize on new opportunities in our Government Business Division that help expand our presence and improve our capabilities to help serve the needs of the most vulnerable populations, which includes Medicare, dual eligible as well as those living with chronic conditions," said Peter D. Haytaian, Executive Vice President, President, Government Business Division, Anthem.

Financial terms of the transaction were not disclosed. The acquisition is expected to close in the first quarter of 2018 and is subject to approvals from state and federal regulatory authorities, standard closing conditions and customary approvals required under the Hart-Scott-Rodino Antitrust Improvements Act. The transaction is expected to be slightly accretive to earnings in 2018.

Anthem's financial advisor is Centerview Partners LLC and its legal advisor is White & Case LLP. Moelis & Company served as financial advisor and Foley & Lardner LLP served as legal advisor to America's 1st Choice and its investors.

Anthem management will be available to discuss this announcement during the company's 3rd quarter conference call and webcast at 8:30 a.m. Eastern Daylight Time on October 25th.

About Anthem, Inc.

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 74 million people served by its affiliated companies, including more than 40 million within its family of health plans, Anthem is one of the nation's leading health benefits companies. For more information about Anthem's family of companies, please visit www.antheminc.com/companies.

Forward-Looking Statements

This document contains certain forward-looking information about us that is intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally not historical facts. Words such as "expect," "feel," "believe," "will," "may," "should," "anticipate," "intend," "estimate," "project," "forecast," "plan" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to: financial projections and estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to future operations, products and services; and statements regarding future performance. Such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking statements. These risks and uncertainties include: those discussed and identified in our public filings with the U.S. Securities and Exchange Commission, or SEC; increased government participation in, or regulation or taxation of health benefits and managed care operations, including, but not limited to, the impact of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, or Health Care Reform, and the impact of any future modification, repeal or replacement of Health Care Reform; trends in health care costs and utilization rates; our ability to secure sufficient premium rates including regulatory approval for and implementation of such rates; our participation in federal and state health insurance exchanges under Health Care Reform, which have experienced and continue to experience challenges due to implementation of initial and phased-

in provisions of Health Care Reform, and which entail uncertainties associated with the mix and volume of business, particularly in our Individual and Small Group markets, that could negatively impact the adequacy of our premium rates and which may not be sufficiently offset by the risk apportionment provisions of Health Care Reform; the ultimate outcome of litigation between Cigna Corporation (“Cigna”) and us related to the merger agreement between the parties, including our claim for damages against Cigna, Cigna’s claim for payment of a termination fee and other damages against us, and the potential for such litigation to cause us to incur substantial costs, materially distract management and negatively impact our reputation and financial positions; our ability to contract with providers on cost-effective and competitive terms; competitor pricing below market trends of increasing costs; reduced enrollment, as well as a negative change in our health care product mix; risks and uncertainties regarding Medicare and Medicaid programs, including those related to non-compliance with the complex regulations imposed thereon and funding risks with respect to revenue received from participation therein; a downgrade in our financial strength ratings; increases in costs and other liabilities associated with increased litigation, government investigations, audits or reviews; medical malpractice or professional liability claims or other risks related to health care services provided by our subsidiaries; our ability to repurchase shares of our common stock and pay dividends on our common stock due to the adequacy of our cash flow and earnings and other considerations; non-compliance by any party with the Express Scripts, Inc. pharmacy benefit management services agreement, which could result in financial penalties; our inability to meet customer demands, and sanctions imposed by governmental entities, including the Centers for Medicare and Medicaid Services; events that result in negative publicity for us or the health benefits industry; failure to effectively maintain and modernize our information systems; events that may negatively affect our licenses with the Blue Cross and Blue Shield Association; state guaranty fund assessments for insolvent insurers; possible impairment of the value of our intangible assets if future results do not adequately support goodwill and other intangible assets; intense competition to attract and retain employees; unauthorized disclosure of member or employee sensitive or confidential information, including the impact and outcome of investigations, inquiries, claims and litigation related to the cyber attack we reported in February 2015; changes in economic and market conditions, as well as regulations that may negatively affect our investment portfolios and liquidity; possible restrictions in the payment of dividends by our subsidiaries and increases in required minimum levels of capital and the potential negative effect from our substantial amount of outstanding indebtedness; general risks associated with mergers, acquisitions and strategic alliances; various laws and provisions in our governing documents that may prevent or discourage takeovers and business combinations; future public health epidemics and catastrophes; and general economic downturns. Readers are cautioned not to place undue reliance on these forward-looking

statements that speak only as of the date hereof. We do not undertake to update or revise any forward-looking statements, except as required by applicable securities laws. Investors are also advised to carefully review and consider the various risks and other disclosures discussed in our SEC reports.

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