Renewal to serve

Village of Scotia

January 1, 2026

Anthem

Anthem

August 2025

Re: 2026 Medicare Advantage with Prescription Drug Renewal for Village of Scotia

On behalf of everyone at Anthem Blue Cross (Anthem), I want to thank you for offering your retirees a Medicare Advantage with Prescription Drug Plan. You have our ongoing commitment to be your experienced and trusted ally in health, providing Village of Scotia with solutions and services that elevate **simplicity, experience, and affordability** for you and your retirees.

Our commitment to you:

You can count on us to **drive affordability,** making every effort to keep costs low without sacrificing quality of care.

We will strive to **infuse simplicity** into everything we do through digital innovation and advancements in artificial intelligence (AI).

Your retirees can expect **an integrated and personalized experience** that prioritizes whole-person health.

To help retirees stay as healthy as possible, they have **access to health and wellness resources and support,** such as SilverSneakers®, Concierge Care, NurseMatch, and Cancer Care Navigators, at no additional cost — meeting your retirees where they are in their health and guiding them to where they need to be. An increase in Consumer Effort and NPS scores reflect the positive impact these programs have had on our members' satisfaction with our plan.

Your renewal rates are attached and reflect a pricing structure that allows us to continue providing your retirees with the quality of care they count on and deserve.

Continuing to focus on your retiree's whole health picture

Your retirees can count on **personalized care that grows and changes with their needs.** Whether they are healthy, at risk for an early-stage disease, or managing a chronic long-term condition, we will connect your retirees to the support and care they need to be their healthiest. No one should ever feel isolated or alone when they need care or want to improve their health.

On the following pages, we highlight a few of our new and existing programs, services, resources, and tools to support retirees' needs.

Community Connected Care

Through our Community Connected Care solution, we work closely with retirees and their families to connect them with the care and services they need by identifying social needs, such as home repair, human interaction to reduce loneliness, access to care, and nutritious foods. Then we identify corresponding benefits, solutions, and community resources to address these needs. Combining these services helps ensure retirees have the necessary community support to care for their health and prevent avoidable admissions and readmissions.

Predictive insights for proactive support

Our AI analyzes dozens of predictive models, enabling us to build a holistic picture of a retiree's health status and proactively support them. As part of our whole-person approach, we identify those with more than just physical health needs — to address mental health, medication needs, cognitive impairments, and high care costs that impact financial well-being. These models also help identify retirees at the highest risk for hospital admissions, future expenses, and readmissions.

NurseMatch

This unique program is designed for retirees who are vulnerable and at risk for hospitalization or emergency room (ER) visits. Using predictive modeling, we match the personalities of our care managers to retirees' needs; a strong connection to a care manager drives better accountability and outcomes. We also share care manager profiles with our retirees to create a more human connection that considers member health history, geography, and other criteria.

Member Connect

Staffed by trained Anthem volunteers from across the organization, this program engages retirees identified as being socially isolated or lonely, providing them with a phone pal who is there to be a friend and refer them to clinical programs, as appropriate.

Enhancing our digital care experience

Providing your retirees with a virtual care experience offers significant benefits beyond convenience. In addition to giving retirees anytime, accessible care and support, our digital options empower your retirees to engage in their own care, improving overall health outcomes and savings.

The Sydney Health app

The award-winning Sydney℠ Health app gives retirees **a simple and connected experience** through their iPhone or Android smartphone. Leveraging artificial intelligence and data science, our app helps unlock the power of our clinical data to drive a personalized, intuitive online experience. This data, along with new innovations, helps us intervene earlier to reduce disease risk and improve health. Each time retirees receive or engage in their care, we see a clearer picture of their health journey.

Retirees can use our mobile app to:

- Access their digital ID cards and set health reminders and wellness goals.

- Receive timely, insight-driven messages based on their health profile, using clinical and claims data.
- Find care, view costs, ask questions via chat, schedule online appointments, and provide one-click access to **anthembluecross.com** and LiveHealth Online.

We continue to update our app and its capabilities to help members find and access the right care options.

Growing our digital services and resources for your retirees

We are continually improving the experience, navigation, and resources available on our online portal, such as:

- Expanding our library of articles and videos about self-care, medicines, various health conditions, tests, and treatments.
- Providing intuitive access to telehealth programs like LiveHealth Online.
- Including health and fitness programs that provide online classes, app-based workouts, and social media interaction like SilverSneakers.
- Providing personal portal tools like My Care Team, My Family Health Record, chat, surveys, and calculators.

Simplifying administration for you

EmployerAccess provides streamlined administrative control of your company-sponsored health plan. From one secure, personalized website or mobile app, you can:

- View enrollments: See your current coverage, as well as information about coverage you haven't purchased yet.
- Simplify administration: Find tools and resources that make managing and administering your retiree health plan easier.
- Manage payments: Pay your bill online and view transaction history.
- Keep in touch: Use the Message Center to securely communicate with your account manager and receive plan updates.
- Stay up to date: Go to the News Center to find the latest news and plan updates.

Being there for your retirees in the moments that matter

Preventive, targeted care through an integrated, whole-health approach

Our on-going efforts to improve whole health include personalized care teams and targeted wellness and prevention programs.

Here are ways we are helping to address your retiree's individual needs:

- **Dedicated care team:** Our group of multispecialty clinicians work together to understand the individual health picture of each retiree to deliver more personalized care.
- **Targeted specialty programs:** Through our outreach support and programs, we can help retirees change unhealthy behaviors, close care gaps, and explore cost-saving opportunities. These programs include:
  - **Diabetes education and prevention programs** designed to educate, treat, and support retirees diagnosed or at risk for developing type 2 diabetes.
  - **Substance use programs** that identify members filling opioid prescriptions from multiple pharmacies and providers so we can reach out to these members and providers.

Addressing behavioral health needs with the right support and resources

The importance of behavioral health to overall well-being is true for everyone, but it stands to be even more significant for older individuals who may face feelings of isolation and loneliness. We are here to connect your retirees to the mental and emotional support they need. Your retirees are supported by a **team of licensed behavioral health clinicians** to help address their unique behavioral health needs. Our behavioral health case management interventions include post-discharge management, complex case management, an Alcohol Use and Disorder Connections outreach program, programs targeting high utilizers of emergency or inpatient services, and ongoing care coordination and outreach.

We value and appreciate your trust

It is a privilege to provide you and your retirees with the dedicated service and personalized support you deserve. We look forward to continuing to work together to elevate the **simplicity, experience,** and **affordability** of your plan for even better health outcomes and savings.

If you have any questions, please feel free to contact me.

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Section 1

2026 Renewal Rate Summary

Anthem

2026 Renewal Rate Summary

Enclosed is your *Featured Plans and Rates exhibit*, which reflect your Anthem Med Preferred MAPD (PPO) with Senior Rx Plus renewal for the January 1, 2026 contract year. The new premium is $306.05 per member per month (PMPM), representing a $63.99 PMPM increase to the current premium of $242.06 PMPM. Please review the rate stipulations in the attached 2026 Featured Plans and Rates exhibit.

2026 Renewal Rate Drivers:

- The addition of the following CMS regulatory changes:
  - ❖ Two-Midnight Rule - CMS required Medicare plans adhere to the 2-Midnight Rule, mandating hospital stays spanning two midnights and meeting medical necessity guidelines to be classified as inpatient stays rather than observation visits. CMS made no financial estimate for this rule clarification. Data from 2024 has shown that enforcement of the policy is meaningfully altering inpatient authorization outcomes with increased inpatient admissions and related costs across the MA market.
  - ❖ Utilization Management change - New CMS rule includes updates to Utilization Management requirements, such as stricter timelines for prior authorization decisions. CMS explicitly states these changes may “decrease the number of inpatient downgrades,” increasing inpatient costs.
  - ❖ Part D Risk Score normalization - CMS revised its part D risk score model in 2026, impacting MAPD members and the Part D normalization factors, particularly for non-low-income beneficiaries.

    Results in reduced CMS revenue for impacted members.
    - **These regulatory changes are impacting all carriers industry-wide**
- Medical claim trends from 2024 through 2026 that have exceeded those from prior years and are outpacing CMS revenue
- Pharmacy claim trends higher than historical that are influenced by richer benefits as a result of the IRA changes

Section 2

2026 Featured Plan and Rates Exhibit

Anthem

Village of Scotia

Featured Plans and Rates - MAPD

Effective: January 01, 2026 through December 31, 2026

Medical Plan	**Custom Medicare Advantage PPO 5PL**
Pharmacy Plan	**Custom Enhanced 10/30/60 ND FG CMAXF ECDMLP**
Members	**35**
Medical (monthly billed PMPM Rate)	$76.98
Pharmacy (monthly billed PMPM Rate)	$229.07
Medical & Pharmacy Total (monthly billed PMPM Rate)	**$306.05**
Total monthly premium	$10,712
Total annual premium	$128,541

The quoted rates are subject to the attached Assumptions and Conditions.

Plan(s) Selected: _____

Authorized Signature: _____

Title: _____

Date: _____

C.B.

Village of Scotia Assumptions & Conditions Effective 01/01/2026 through 12/31/2026

Rates, rate guarantees, and benefits may need to be revised based on the effects of legislative, regulatory or other actions including, but not limited to, CMS guidance which becomes effective or is modified effective during the quoted product years. This includes additional CMS guidance in the Part D plan as part of the Inflation Reduction Act (IRA). This also includes the CMS annual notice of Capitation Rates and Payment Policies and any benchmark changes, risk score actions, or changes in payment methodologies.

Plan parameters and formularies are approved by CMS on an annual basis and can change in January each year. All Part D plan changes, such as deductibles, copays, Part D and non-Part D drug coverage, may only be implemented on the group's original effective date and in January of each year thereafter.

Quote assumes Group will pay, on behalf of its members, any Late Enrollment Penalties (LEP) for applicable members. Should Group request Anthem to provide LEP billing directly to members, a premium adjustment may apply.

Participants must have both Medicare Parts A and B.

Eligibility for coverage for subscribers or their dependents is based on the subscriber and/or dependents meeting their group's requirements for coverage of retirees' medical benefits.

Contracted rates are on a Per-Member-Per-Month (PMPM) basis. Each individual will receive the same equal rate; a two member contract would receive twice the rate; a three member contract would receive triple the rate.

The group will contribute 50%+ of the premium. If the group's contribution varies from the current strategy, Anthem must be promptly notified and reserves the right to re-evaluate its underwriting position, rates and rate guarantees. If more than one plan is offered to members, then Village of Scotia shall offer Anthem plan coverage to all eligible persons at terms and contribution levels that are no less favorable than those applicable to any other retiree health coverage available through Village of Scotia.

The average age for Village of Scotia enrollment is assumed to be 74.9. If the actual average age varies at any time by more than 1-year, rates and/or rate guarantees may be adjusted.

Rates and rate guarantees assume the group/fund membership will not vary more than 10% from the quoted membership of 35 Medicare members.

Broker Commissions are included at $12.50 PMPM.

This quote assumes Anthem will be the exclusive post-65 retiree offering. Furthermore, the quote assumes that Anthem will offer a single plan design. Any additional plan selections will be subject to underwriting consideration and possible adjustments.

The group's eligibility policy does not allow for retirees to enroll in a group sponsored medical plan if the retiree has previously declined coverage.

Plan change requests made within 45 days before either the effective date or the start of open enrollment may result in a rate adjustment to account for additional costs incurred due to duplicative implementation efforts.

This proposal expires 60 days from the date of release or on the effective date, whichever is sooner.

This quote is contingent upon the majority of the enrolled membership residing in an adequate network service area. The service area and plan design are subject to CMS approval.

Additional communications beyond those mandated by CMS or operationally required in accordance with Anthem standard processes, such as printed home mailers, may be subject to additional marketing communication charges to the group for development, fulfillment, and/or mailing.

This quote assumes co-branding (plan sponsor name and/ or logo is allowed on member materials including Medicare Advantage plan quality and health programs).

Medical and prescription drug plans must be sold as a package.

The pricing census included a total of 35 retired members. A minimum of 25 members is required.

The Medicare Advantage offering is in conjuction with the Anthem commercial plan for active employees.

This plan may be limited in some states to groups that qualify as a large group within that state. The large group definition varies by state.

Section 3

2026 Benefit Change Summary

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Benefit Change Summary

This summary outlines your plan's changes. Please note, this is only a summary of changes.

Summary of Important Medical Benefit Changes for 2026
CMS Sharing Guidance CMS releases mandated cost sharing guidance to Medicare Advantage plans annually. This year's guidance effects the cost sharing on one or more of the plan's benefits
Durable medical equipment (DME) for Continuous Glucose Monitors (CGMs) Starting in 2026, we will have two preferred brand continuous glucose monitors. Those brands are FreeStyle Libre and Dexcom. We will not cover other brands unless the member's provider tells us it is medically necessary.
Diabetic Testing Supplies We are replacing LifeScan with Abbott as one of our preferred brand diabetic testing suppliers. Roche will continue to be our other preferred brand diabetic testing supplier.
Services to treat outpatient kidney disease - Self-Dialysis Training In our continuous commitment to improve health outcomes, self-dialysis training will be a $0 cost share for in-network and out-of-network providers.
Routine hearing services: Hearing Care Solutions name change to TruHearing Hearing Care Solutions and TruHearing are merging their brands effective 1/1/26. TruHearing will retain the name. All mention of Hearing Care Solutions will transition to TruHearing.

Prescription Drug Benefit Changes

Summary of Important Prescription Drug Benefit Changes for 2026		
Description	2025	2026
Drug Plan Maximum Annual Out of Pocket: Each year CMS evaluates the limits used to define the Part D coverage.	$2,000	$2,100

Section 4

2026 Regulatory Updates

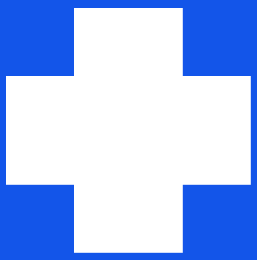
Plan Regulatory Updates

Formulary Changes: We want to remind you that your plan's Formulary is reviewed annually and changes to drug tiering, utilization management and coverage are effective January 1st. Your retirees will receive notice the formulary has been updated and how to view it online. They can call our Pharmacy Member Services department with questions. Medicare Part D plan drug coverage and members' accumulations are managed on a calendar year basis.

Open Enrollment/Annual Notice of Change (ANOC) and Directory Mailings: Let us know as soon as possible if and when you are holding an open enrollment period for your retirees eligible for this retirement benefit plan. To be compliant with CMS ANOC requirements, we will need confirmation of your renewal at least 45 days prior to your open enrollment period or renewal date (if you are not offering an open enrollment).

Online Evidence of Coverage (EOC) and Formulary: Your retirees will continue to view the EOC and Formulary online. It's easy and convenient – they simply follow the steps listed in the flyer included in the ANOC mailing. At any time, retirees can call Member Services should they have questions or would like a printed copy of their plan documents.

Retiree Communications: Please provide us with communications you distribute to your retirees. We will provide these documents to our Member Service department so Customer Service Representatives can continue to fully support your retirees.



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