

UnitedHealth Group is a diversified health and well-being company serving 55 million Americans. Across the spectrum of products, services and resources we provide, there is a single yardstick against which all UnitedHealth Group actions can be measured: making health care work better.

The measure of UnitedHealth Group

- > Providing broad and convenient access to the most comprehensive spectrum of health and well-being services available today.
- > Offering flexible, modular product designs that customers can seamlessly integrate to meet varying benefit needs and funding requirements.
- > Implementing clinical quality processes that promote evidence-based standards of care to help physicians and care providers improve health outcomes and reduce the level of resources expended on unnecessary or unsupported approaches and interventions.
- > Minimizing debilitating and costly health complications through care advocacy services and clinical intervention programs that help people with chronic and acute illnesses to access, coordinate and manage care services effectively.
- > Extending services to diverse and economically disadvantaged people through lower-cost offerings, state-funded Medicaid programs and support of community health centers in low-income areas.
- > Applying technology in practical ways to simplify transaction processing, make services easier to use and decrease costs.
- > Providing data and analytic tools and services to all sectors of the health care system in order to advance meaningful analyses aimed at improving clinical and financial performance.
- > Driving continuous improvements in service quality, reliability and customer satisfaction.

Financial performance

(in millions)	2004	2003	2002
Revenues	\$ 37,218	\$ 28,823	\$ 25,020
Earnings From Operations	\$ 4,101	\$ 2,935	\$ 2,186
Operating Margin	11.0%	10.2%	8.7%
Cash Flows From Operating Activities	\$ 4,135	\$ 3,003	\$ 2,423

SPECIALIZED CARE SERVICES

The best overall health outcomes are achieved and sustained when specialized health, wellness and ancillary benefit services are part of an integrated portfolio of basic medical benefit plans. Success for Specialized Care Services is measured through its comprehensive platform of specialty benefits, services and resources; operational capabilities that enable seamless integration with basic medical services, simplifying the health care experience and lowering overall benefit and administrative costs; and clinical guidance that helps customers access and use specialized services effectively.

The measure of Specialized Care Services

- > Providing high quality, affordable behavioral health and substance abuse services to more than 22 million individuals through the United Behavioral Health national network of more than 61,000 clinicians.
- > Seamlessly integrating employee assistance and work/life programs through LifeEra to improve individual well-being and increase productivity for employers. From high-risk issues such as substance abuse to everyday issues like childcare and eldercare, LifeEra helps individuals find the solutions, resources and tools they need to meet the challenges of daily living.
- > Providing personal health services through Optum to help individuals stay well, get healthy or live with illness. Evidence-based medicine, enabling technology and specially trained nurses combine to address an individual's unique health needs, make referrals to appropriate resources, close gaps in care and help manage health care costs. Optum's integrated solutions span the continuum of health care needs — from health assessments and lifestyle modification programs to 24/7 telephonic nurse services for acute medical needs to case management and disease management for complex and chronic conditions.
- > Advancing better clinical outcomes for individuals with complex and rare medical conditions through United Resource Networks by providing access to America's leading centers in the areas of transplantation, complex cancer care, congenital heart disease, kidney dialysis and reproductive services.
- > Improving the affordability and effectiveness of physical medicine services through ACN Group, including chiropractic and physical therapy services, by using an evidence-based approach to enhance the consistency and quality of care delivered. ACN Group provides access to consumer-direct health and fitness solutions and discounted products through its myRenewellSM program.
- > Delivering affordable, innovative vision care solutions to the nation's leading employers through Spectera, which serves more than 9 million individuals through experienced, customer-focused professionals and one of the nation's most accessible, diverse vision care networks.
- > Providing customized dental solutions to meet the needs of the entire work force through Dental Benefit Providers' leading products and network, distribution and technology capabilities.
- > Integrating accident, short-term disability, critical illness and life insurance products into employers' overall benefits programs through Unimerica Workplace Benefits.

Financial performance

(in millions)	2004	2003	2002
Revenues	\$ 2,295	\$ 1,878	\$ 1,509
Earnings From Operations	\$ 485	\$ 385	\$ 286
Operating Margin	21.1%	20.5%	19.0%

UNIPRISE

Uniprise provides innovative, customized and highly integrated information, technology, health care benefit management and financial services solutions to the health and well-being marketplace. Its success can be measured in the more than 425 large employers and the growing group of health care intermediaries and administrators who choose Uniprise for their services.

The measure of Uniprise

- > Providing a single gateway to a wide array of services from UnitedHealth Group to create highly customized programs of benefit solutions that meet the unique needs of large organizations. Uniprise today serves nearly 10 million employees and dependents of large employers and institutions.
- > Promoting affordable access and effective use of services through care management and facilitation, access to national Centers of Excellence and Premium Networks, and innovative benefit designs that incorporate financial incentives to recognize, promote and reward quality care.
- > Achieving greater consumer engagement and individual benefit ownership through Definity Health. UnitedHealth Group's consumer-driven health plan business, including Definity, currently enables 880,000 individuals to take control of their health and benefits through consumer-driven health plans by aligning their consumption of health care with their unique needs, preferences and values.
- > Offering a highly scalable, efficient, technology-based operating environment to enhance efficiency and quality of services for Uniprise and UnitedHealthcare customers and for independent health care companies. Uniprise processed more than 220 million claims in 2004, nearly 80 percent of them through advanced electronic processing technology.
- > Providing affordable benefit solutions for previously underserved needs, including a basic benefit plan for uninsured, part-time and lower wage employees; benefits coverage for pre-Medicare and Medicare-eligible retirees; and an employee discount program for many out-of-pocket health-related expenses.
- > Advancing proprietary state-of-the-art banking and financial service processes and technologies to improve the way health care works for all participants. These capabilities enable account-based products such as health savings accounts, health reimbursement accounts, personal benefit accounts and flexible spending accounts, along with a comprehensive array of electronic swipe cards and Internet solutions. Uniprise has more than 18 million electronic cards in circulation.
- > Seamlessly integrating human and technological solutions to deliver quality customer care for nearly 18 million individuals annually and supporting more than 218 million transactions via the Internet and electronic channels on an annualized basis.
- > Providing care providers, payers, independent service bureaus and financial institutions with a financial infrastructure to serve consumers through electronic card products, consumer health accounts, banking and electronic payment solutions, and print and mail solutions through Exante Financial Services. These products simplify payment processes, improve satisfaction rates and lower transaction costs.

Financial performance

(in millions)	2004	2003	2002
Revenues	\$ 3,365	\$ 3,107	\$ 2,725
Earnings From Operations	\$ 677	\$ 610	\$ 517
Operating Margin	20.1%	19.6%	19.0%

HEALTH CARE SERVICES

(includes the businesses of UnitedHealthcare, Ovations and AmeriChoice)

UNITEDHEALTHCARE

Regardless of whether the customer is a small or mid-sized business, large local organization or an individual, they all value the same thing: convenient access to affordable, high-quality health care. For UnitedHealthcare, success is measured by how well it helps customers achieve that goal.

The measure of UnitedHealthcare

- > Serving customers with broad, convenient access to health and well-being services through a single network platform that includes more than 460,000 physicians and care professionals and 4,200 hospitals across America.
- > Broadening access through unique strategic alliances with not-for-profit health care providers, including Medica Health Plans and Harvard Pilgrim Health Care, to enhance health care access and affordability in the Upper Midwest and New England, respectively.
- > Making health care more affordable by leveraging the purchasing capacity of 22 million Americans and \$60 billion in purchased medical services to achieve the best value for care services, medical devices, pharmaceuticals and diagnostic testing.
- > Providing the broadest array of choices in affordable benefit products and services, including coverage options for individuals, small businesses and mid-sized employers; affordable self-funded products for small businesses; and integrated benefit programs for public entities, municipalities, universities and large local employers.
- > Serving consumers with information to make health care choices that favorably impact the quality and affordability of health care. UnitedHealthcare offers consumer-driven health plans together with health-related spending accounts, as well as a vast array of consumer discount purchasing programs.
- > Providing customers with access to the information they need to select care from local hospitals and physicians with proven success and expertise in delivery of cardiac, cancer and orthopedic care through the UnitedHealth Premiumsm program and extending access to nationally recognized Centers of Excellence for highly complex clinical needs.
- > Promoting drug effectiveness and affordability through United Pharmaceutical Solutions, a provider of drug benefit programs that engage consumers in the buying decision, provide access to a full range of appropriate therapeutic agents and help them to choose the most clinically effective and optimally priced drugs.
- > Enabling individuals with chronic and acute conditions to access and use resources more effectively through clinical outreach services, care facilitation and disease management programs, reminder programs, and consumer information services about health conditions and treatment options.
- > Promoting evidence-based medicine by sharing Clinical Profiles and conducting peer-to-peer reviews with physicians, hospitals and other care providers.
- > Simplifying and expediting transactions, while improving affordability, through the use of self-service tools and Internet portals for consumers, physicians and care providers, employers, and brokers.

Financial performance—Health Care Services

(includes the businesses of UnitedHealthcare, Ovations and AmeriChoice)

(in millions)	2004	2003	2002
Revenues	\$ 32,673	\$ 24,807	\$ 21,552
Earnings From Operations	\$ 2,810	\$ 1,865	\$ 1,328
Operating Margin	8.6%	7.5%	6.2%

OVATIONS

Ovations is dedicated to serving the health and well-being needs of people over age 50. With national Medicare expenditures reaching \$300 billion annually and expected to rise by more than 150 percent over the next 10 years, success for Ovations is measured by how well it helps address this unique and growing need.

The measure of Ovations

- > Offering a broad and unique array of affordable health insurance and related products for AARP members, including nearly 4 million people enrolled in the AARP Health Care Options program.
- > Providing affordable, network-based Medicare health plans and services to more than 330,000 seniors and hundreds of employer retiree groups.
- > Providing individualized care services through Evercare to more than 70,000 chronically ill and frail seniors. Independent studies show that the Evercare program has resulted in fewer unnecessary hospitalizations and nursing home placements, while earning high satisfaction ratings from enrollees, family members and physicians.
- > Helping 2.5 million older Americans lower their prescription drug costs through leading prescription drug discount card programs.
- > Helping adult children with aging parents by assessing their parents' health care needs, identifying resources and providing care advocacy and support.
- > Assisting the British National Health Service in developing and providing care services to improve health outcomes and optimize resource use for older individuals.
- > Helping employers with high retiree benefit costs improve services to retirees, especially those with serious and lifelong conditions, while conserving resources and managing costs to optimal efficiency.

AMERICHoice

Helping states strategize and optimize their Medicaid programs to give people more access to needed health care services: That is the measure of success for AmeriChoice, a leading provider of health care and services to 1.3 million beneficiaries of government-sponsored health care programs in 13 states.

The measure of AmeriChoice

- > Coordinating resources among family, physicians, other health care providers and government and community-based resources to ensure timely, effective care.
- > Providing direct outreach assistance to individuals with serious, chronic health conditions to help them preserve optimal health and avoid debilitating complications by creating and overseeing personalized care management programs through the AmeriChoice Personal Care Model.
- > Offering education and outreach programs that target the most frequent causes of severe health conditions among AmeriChoice beneficiaries, such as asthma, diabetes, sickle cell disease, hypertension and pregnancy.
- > Using technology to identify members with the greatest needs, facilitate outreach and set benchmarks for clinical care for high-risk members.
- > Conserving the resources of sponsoring states through innovative solutions that focus on coordination and quality of care, so more eligible citizens are able to receive the maximum level of care.

A leading provider of health care data, technology and analytic services, Ingenix measures success by its effectiveness in improving the quality and efficiency of health care decision-making and transaction processing for all sectors of the health care industry. This positively impacts the affordability, usability, quality and accessibility of the overall health care system.

The measure of Ingenix

- > Delivering decision-support tools so employers, payers, insurers and consumers can make informed decisions about how to design and manage benefit offerings, direct health care spending and allocate resources, thus making the health care system more efficient, accessible and affordable for all.
- > Providing information tools and services to assess treatment options using established, evidence-based criteria, which can improve the quality of care delivery and address the escalating costs of health care.
- > Providing data and analytics to drive efficiency and quality by enabling hospitals, physicians and other care providers, employers, payers, pharmaceutical companies and researchers to compare, contrast and model performance data.
- > Bringing world-class consulting capabilities to bear in the disciplines of benefit strategies, epidemiology, health economics and outcomes, health education and data analysis. By marshaling its vast body of knowledge, Ingenix assists companies in introducing new products, educating physicians about their use, and tracking product performance and safety through large-scale epidemiological or outcome-based research.
- > Helping care providers and payers streamline and improve billing practices through state-of-the-art billing, claims and compliance technology and services. Claims management and coding tools help physicians and other care providers maximize resources, improve efficiency and submit claims that accurately comply with all Medicare and payer requirements. Billing and auditing tools for payers help to detect errors that can drive up costs.
- > Providing global clinical trial support for key therapeutic areas, including oncology, central nervous system and infectious and pulmonary disease, to help pharmaceutical companies bring new therapeutic compounds to market quickly, safely and in a more cost-effective manner.

Financial performance

(in millions)	2004	2003	2002
Revenues	\$ 670	\$ 574	\$ 491
Earnings From Operations	\$ 129	\$ 75	\$ 55
Operating Margin	19.3%	13.1%	11.2%