



## OUR MISSION

Helping people live  
healthier lives and  
helping make the  
health system work  
better for everyone

## Growth momentum

2018 expected growth

REVENUE

**\$101.2B**

OPERATING EARNINGS

**\$8.1B**

2019 projected growth

REVENUE

**\$111.0B—\$112.0B**

OPERATING EARNINGS

**\$9.0B—\$9.2B**

## Market opportunity

**\$800B+**

addressable U.S. market  
opportunity today

**\$3.5T**

opportunity to impact  
the total U.S. market  
in the years ahead

# Core capabilities

OPTUM 



## Data and analytics

A foundation of data, integrated and enriched, covering nearly **240M** people, along with leading analytics and applied expertise

## Clinical expertise

Deep and broad clinical expertise across ambulatory care, case and condition management, and pharmacy, including specialty

## Embedded technologies

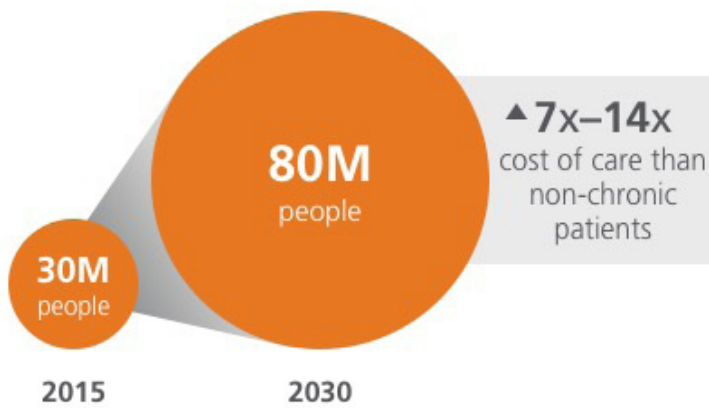
Secure, scalable and interoperable technology solutions processing over **1T** transactions annually and guiding decisions for stakeholders

**WE ASPIRE**

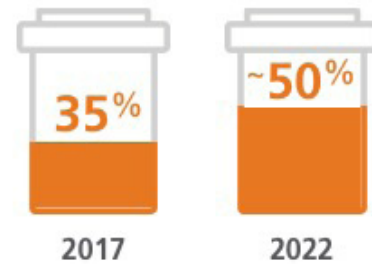
to improve **experiences** and **outcomes**  
for everyone we serve, while reducing  
the **total cost of care**

## Market challenges

Number of people with  
**three or more chronic conditions**



Pharmacy industry cost  
generated by specialty drugs



## Our opportunity



**REINVENTING**  
local care  
delivery



**ADVANCING**  
chronic care  
management



**TRANSFORMING**  
pharmacy care  
services

# Reinventing local care delivery



Practices in Texas and Florida

**370k**

Medicare patients served in global capitation model,  
**220k more than** four years ago

## Care Model



# Reinventing local care delivery



## Better Outcomes

**▼42%**

lower hospital admissions versus traditional Medicare in the SW Central region

**95%**

patients would use WellMed again

**High 80's**

Net Promoter Score

## High Quality Care

WellMed MA Value-based Care model	VS	Traditional Fee-for-Service model
<b>600</b> panel size		<b>4,000</b> panel size
<b>14–20</b> patients per day		<b>30–40</b> patients per day
<b>24/7</b> Value-based Care availability		<b>24/7</b> on-call service availability

## Reinventing local care delivery



Practices in northern New Jersey

**230k**

total patients served,  
of which 70%  
are commercial

**#1 in NJ**

For lowest cost per  
patient among larger  
medical groups

**▼47%**

In-patient hospital admissions for  
commercial members compared  
to the full state of New Jersey

## Integrating capabilities for greater impact

- ▲ OptumCare Medical Groups
- ▲ MedExpress
- ▲ Surgical Care Affiliates
- ▲ Home Delivery
- ▲ BriovaRx Specialty Pharmacy & Infusion Services
- ▲ Avella Specialty Pharmacy
- ▲ Genoa Healthcare
- ▲ In-home visits
- ▲ Complex care management & in-home visits





## Our opportunity



**REINVENTING**  
local care  
delivery



**ADVANCING**  
chronic care  
management



**TRANSFORMING**  
pharmacy care  
services



### Advancing chronic care management

Comprehensive clinician  
decision support

Condition-specific,  
compassionate care

Advanced technology to  
guide the next best action

Artificial intelligence to  
drive deeper insights

# Optum Performance Analytics

**700** hospitals and **7k** clinics depend on our analytics platforms

Serving **100M** patients

## Driving better health care decisions

A client's closed gaps in care results

▲~**11%**

patients meeting  
colorectal cancer  
screening

▲~**6%**

diabetic patients  
with A1C under  
control

A client's cost reduction results

▼**36%**

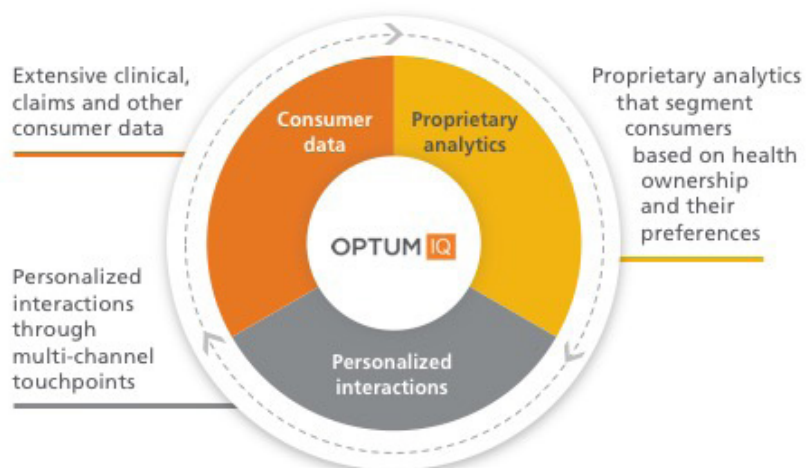
in emergency  
room visits

▼**34%**

in admissions

# Next best health action

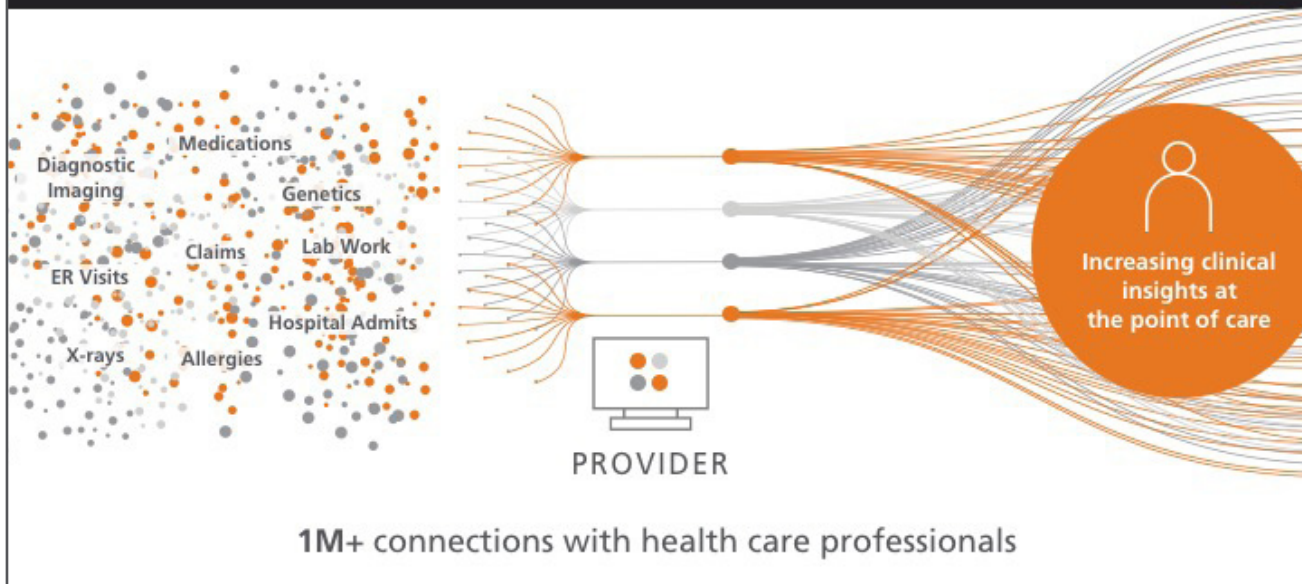
Helping Optum nurses ensure patients get the attention and care they need



**3x**  
more gaps in  
care closed  
than traditional  
approaches



# Deepening care provider connections



## Expanding condition-centric care

### TODAY

Behavioral Health  
Transplants  
Skilled Nursing Facilities  
Musculoskeletal

### TOMORROW

Condition-specific risk for a broad array of chronic diseases



## Our opportunity



**REINVENTING**  
local care  
delivery



**ADVANCING**  
chronic care  
management



**TRANSFORMING**  
pharmacy care  
services

## Delivering value through pharmacy care services

OptumRx serves over 65M consumers through 250k daily interactions



Driving to the  
**lowest net cost**  
for drugs



Lowering the **total**  
**cost of care** and  
improving **outcomes**



Building a **simple,**  
**smart and seamless**  
consumer experience

## Transforming pharmacy care services

### Holistic View

Pharmacy



Medical

### Synchronized Actions

Guide people to resources that help:

Improve medication adherence

Address gaps in care

Prevent complications

Manage overall wellness

### Per Member per Month Results

**\$20–\$25**

in medical cost savings when clients fully adopt our synchronized programs

## Deepening OptumRx specialty capabilities



Seamless delivery of specialty treatments with extensive access to limited distribution drugs, particularly in oncology

Complete clinical management for specific disease states

Technology solutions that improve patient care and experience

**70** specialty and infusion pharmacies

**500k** patients served

## Optimizing infusion sites of care



**30–50%**

savings for home-based  
infusion services compared  
to a hospital setting

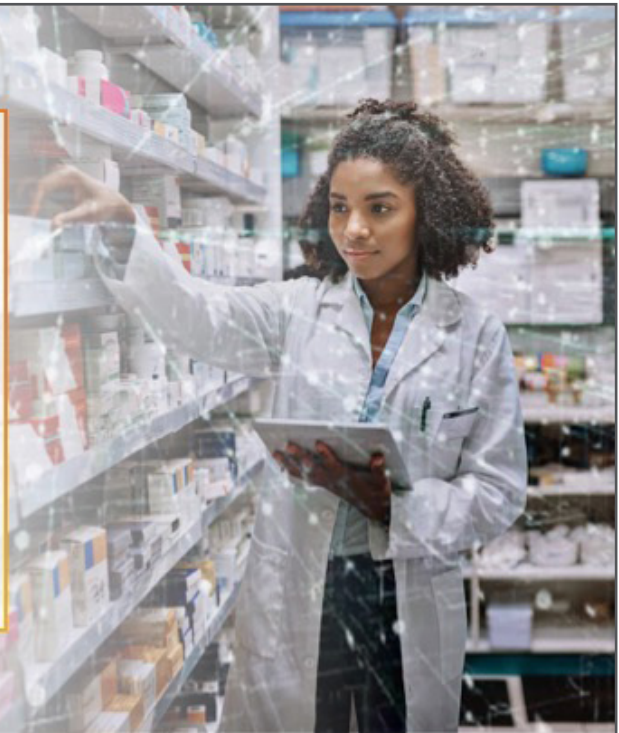
### **DRIVING TO THE LOWEST NET COST FOR DRUGS**

Innovative supply chain relationships

New payment models

Transparent:

- Consumer price and empowerment
- Clinical decision-making





## Integrating distinct capabilities for greater impact



Simple | Effective | Lower Cost

**OPTUM**  
Well positioned  
for growth in the  
years ahead

**WE ASPIRE**  
to improve **experiences**  
and **outcomes** for  
everyone we serve  
while reducing the  
**total cost of care**



## OptumHealth overview

Engage consumers  
**directly** in their health  
and wellbeing

RALLY™

 OPTUM Bank

 OPTUM Serve

Manage specific  
**conditions** with a holistic  
view of patients' needs

 OPTUM

Behavioral Health  
Population Health Solutions  
HouseCalls  
Medical Benefit Management  
Care Services  
Complex Care Management

Provide local health  
**care delivery** that is  
effective and lower cost

 OPTUMCare

Primary care  
Specialty care  
Surgical care  
Urgent care

## OptumHealth consumer growth

2018E

**93M**  
consumers served

**▲11%**  
revenues per consumer\*

2019P

**95–96M**  
consumers served

**▲11–14%**  
revenues per consumer

\*2017 lives exclude Tricare



## OptumHealth – a significant growth platform



**14M+**

patients  
served

**36k**

aligned  
physicians

**8k**

advanced practice  
clinicians

Past five years of growth

**20 ▶ ~80**

number of  
payers

**▲130%**

number of  
care providers

Medicare  
Advantage

**99%**

of members in  
4-Star or better  
plans for 2019  
payment year

## OptumHealth 2018 progress

**RALLY**

**21M**

registered users

**\$1B**

incentive reward payments  
earned to date through the  
Rally digital platform

 **OPTUM**  
HouseCalls

**1.4M**

visits this year

**~2.2M**

closed gaps in care for  
Medicare Advantage  
consumers

 **OPTUM**  
Behavioral Health

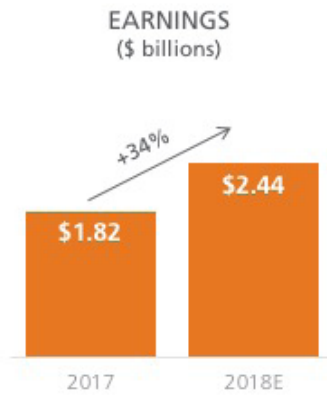
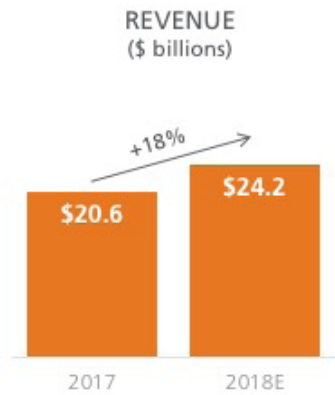
**190k**

national network  
of care providers

**500k**

new consumers

## OptumHealth financials – 2018



### Consumers Served

(lives in millions)

2018E

Consumer Lives 93

Growth\* 6%

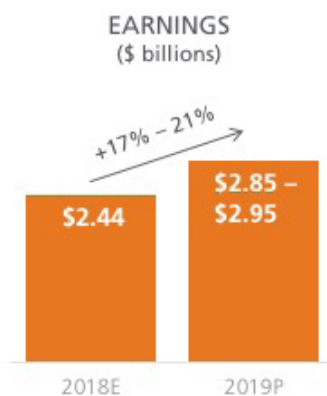
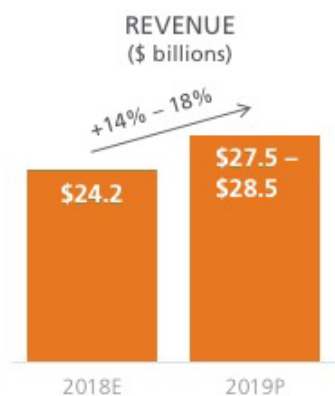
### Operating Margin

2018E

Operating Margin 10.1%

\* 2017 Consumer Lives excludes TRICARE

## OptumHealth financials – 2019



### Consumers Served

(lives in millions)

2019P Range

Consumer Lives 95 – 96

Growth 2% – 3%

### Operating Margin

2019P Range

Operating Margin 10.0% – 10.7%

## OptumInsight overview



### TECHNOLOGY

Population health and risk analytics

Administrative and clinical technology for claims editing, risk adjustment and payment integrity

Health information and electronic data exchange

Technology strategy and management



### RESEARCH AND CONSULTING

Advisory Services

- Consulting services, including actuarial, systems integration and Value-based Care

Advisory Board Research

- Research, thought leadership and resources for C-suite executives and industry leaders



### MANAGED SERVICES

Revenue management platform and outsourcing

Risk adjustment analytics and services, quality enablement platform

Payment integrity platform and outsourcing

State Medicaid data and technology management

Data & Analytics Foundation

## OptumInsight revenue backlog growth

2018E

**\$17.0B**

contract revenue backlog

**▲13%**

year over year growth

2019P

**\$18.5B–\$19.0B**

contract revenue backlog

**▲9–12%**

year over year growth

## OptumInsight 2018 progress



Expanding research and advisory capabilities from core provider base into payer and life sciences segments.



Simplifying administration and the revenue process for **4 out of 5** U.S. hospitals. For those who use the full suite of Optum360 services, we now manage **\$65B** in annual billings.

## OptumInsight looking forward

Artificial Intelligence



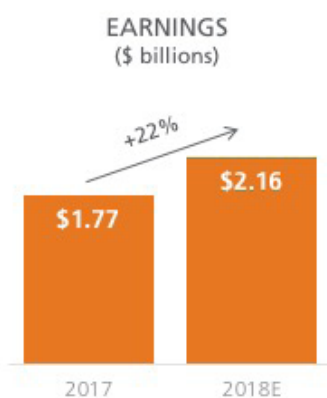
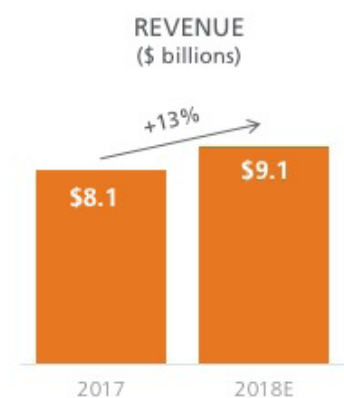
Blockchain



Genomics



## OptumInsight financials – 2018



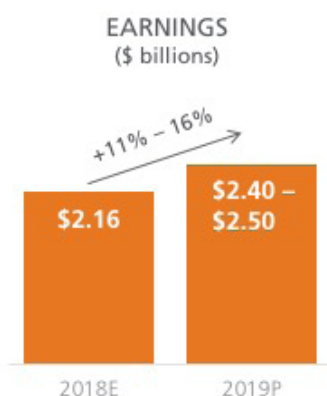
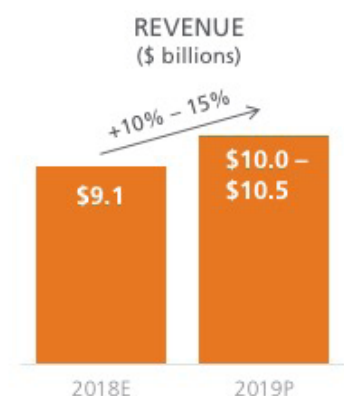
### Contract Backlog (\$ billions)

	2018E
Backlog	17.0
Growth	13%

### Operating Margin

	2018E
Operating Margin	23.7%

## OptumInsight financials – 2019



### Contract Backlog (\$ billions)

	2019P Range
Backlog	18.5 – 19.0
Growth	9% – 12%

### Operating Margin

	2019P Range
Operating Margin	22.9% – 25.0%

## OptumRx overview

OptumRx empowers consumers, care providers, and benefit sponsors to make **better choices** through a **synchronized approach** to pharmacy and medical care



Consumers



Care providers



Benefit sponsors



Healthier people



Lower total  
cost of care  
**guaranteed**

## OptumRx adjusted script growth

2018E

**1.335B**  
adjusted scripts

**3%**  
year over year growth

2019P

**1.37B–1.39B**  
adjusted scripts

**▲3–4%**  
year over year growth



## OptumRx – 2018 progress

### Point of sale discounts

~\$**150**

in savings per  
utilizer per year

~**9M**

members

### PreCheck MyScript

Independence 

~**1M**

additional plan  
members

### Value-based arrangements

**17**

value-based  
manufacturer  
contracts with more  
in development

## OptumRx looking forward

**genoa**  
healthcare

Genoa's personalized and outcomes-driven care improves the quality of life for those with behavioral and other complex health issues

**400+**

dispensing pharmacies  
across **46** states



## OptumRx looking forward

**~40 points**

in client Net Promoter Score improvement

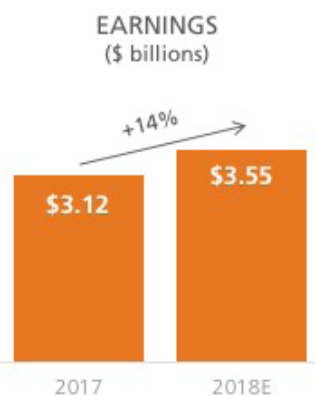
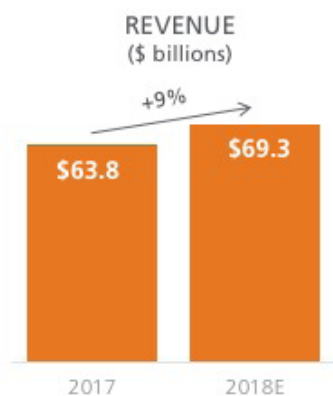
**98%**

customer retention rate

**14**

new business awards closed in 2018 worth at least \$100M each

## OptumRx financials – 2018



**Adjusted Scripts**  
(scripts in millions)

	2018E
Adjusted Scripts	1,335
Growth	3%

**Operating Margin**

	2018E
Operating Margin	5.1%

## OptumRx financials – 2019



## 2018 performance

(\$ millions)	2017	2018E	Growth
<b>Revenue</b>			
OptumHealth	\$ 20,570	\$ 24,200	18%
OptumInsight	8,087	9,100	13%
OptumRx	63,755	69,300	9%
<b>Optum (including eliminations)</b>	<b>\$ 91,185</b>	<b>\$ 101,200</b>	<b>11%</b>
<b>Operating earnings</b>			
OptumHealth	\$ 1,823	\$ 2,435	34%
OptumInsight	1,770	2,160	22%
OptumRx	3,118	3,545	14%
<b>Optum</b>	<b>\$ 6,711</b>	<b>\$ 8,140</b>	<b>21%</b>
<b>Operating margin</b>	<b>7.4%</b>	<b>8.0%</b>	<b>60 bps</b>

## 2019 outlook

(\$ millions)	2018E	2019P Range	Growth
<b>Revenue</b>			
OptumHealth	\$ 24,200	\$ 27,500 – \$ 28,500	14% – 18%
OptumInsight	9,100	10,000 – 10,500	10% – 15%
OptumRx	69,300	74,000 – 75,000	7% – 8%
<b>Optum (including eliminations)</b>	<b>\$ 101,200</b>	<b>\$ 111,000 – \$ 112,000</b>	<b>10% – 11%</b>
<b>Operating earnings</b>			
OptumHealth	\$ 2,435	\$ 2,850 – \$ 2,950	17% – 21%
OptumInsight	2,160	2,400 – 2,500	11% – 16%
OptumRx	3,545	3,700 – 3,800	4% – 7%
<b>Optum</b>	<b>\$ 8,140</b>	<b>\$ 9,000 – \$ 9,200</b>	<b>11% – 13%</b>
<b>Operating margin</b>	<b>8.0%</b>	<b>8.0% – 8.3%</b>	<b>0 bps – 30 bps</b>

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