OPTUM

OVERVIEW

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

Every day, the 150,000 people of Optum are privileged to serve consumers, care providers, health plans, employers, governments and life sciences companies and to help move health care forward.

Our people bring deep expertise and a diversity of skill sets from across the health care and technology fields, working relentlessly to help reduce the total cost of care while improving health care quality, outcomes and experiences for people.

Even as we address critical health care challenges today, we believe our most valuable and enduring contributions are still to come.

Optum is privileged to serve 125 million people with an expansive set of health services to improve their health.

Our Opportunity

With the dedication of our people, uniquely broad capabilities, growing scale and relationships across health care, we are well-positioned to expand and deepen the value we provide to those we serve – and deliver long-term, sustainable growth.

The global market for health services represents a more than $1.4 trillion opportunity. To fully capture this opportunity, we are accelerating operational integration and synergy across Optum's three businesses – OptumHealth, OptumInsight and OptumRx. By integrating our capabilities and innovations to their greatest potential, we will meaningfully advance the quality, impact and reach of our products and services across the marketplace.

Who We Serve

People are at the center of everything we do across the health system:

- **Consumers.** The most important stakeholder in health care – and for Optum – is the consumer. We are privileged today to serve 125 million people, directly engaging them in their health and empowering them to make better decisions about their health and health care.

  Individuals are taking a greater role in health care decision-making and are responsible for more of the costs of care. We continue to elevate the support we have to offer them, from compassionate one-to-one guidance, to the direct delivery of quality care, to leading-edge digital experiences. We are committed to making health care simpler, smarter and seamless for people.

- **Care Providers.** We work with four out of five U.S. hospitals, more than 67,000 pharmacies, and more than 100,000 physicians, practices and other care facilities to advance high-quality, patient-centric care and modernize administrative operations.
- **Health Plans.** We serve approximately three out of every four health plans in the nation, helping them improve experiences and health outcomes for their members, while achieving measurable savings and reducing the total cost of care.
- **Employers.** We serve four out of five Fortune 100 companies, as well as federal and state government employers, helping them support the health and well-being of their employees, manage risk and control costs.
- **Government.** We help more than 100 federal, state and municipal agencies meet the health care needs of the people and communities they serve.
- **Life Sciences.** We serve over 80 global life sciences companies dedicated to developing new medicines, treatments and technologies to improve care and outcomes for people.

Our Businesses

Optum serves people through three businesses – OptumHealth, OptumInsight and OptumRx.

Our unique combination of data – which includes nearly 240 million lives of clinical, claims and benefit information – leading analytics and decades of clinical expertise powers Optum's health care intelligence. We refer to this intelligence as OptumIQ and it is infused into all Optum products and services, providing the most comprehensive view of the consumer, care provider and payer experience. Together, OptumIQ, our extensive network of care providers and our expanding digital footprint position Optum to serve more people in more valuable ways.

OptumHealth

OptumHealth engages people in their health and well-being; helps manage chronic, complex and behavioral health needs; and delivers value-oriented care through OptumCare.

Rally, our digital consumer health platform, drives greater engagement, motivates and rewards people for healthy behavior and enables them to find and schedule care with the best doctor for their needs. Rally is launching a unified digital dashboard that gives people a comprehensive view of their health, care and benefits.

Our population health management solutions help people better manage chronic conditions, offer personalized programs to support healthy pregnancies, connect individuals to integrated behavioral care and resources tailored to their specific needs and help consumers save and pay for care.

OptumCare is building value-based, patient-centric, physician-led health delivery systems in specific local geographies, focused on improving the quality, experience and cost of care, while also enhancing the clinician experience. OptumCare is inclusive of our medical groups, IPAs, specialists, and ambulatory surgery and urgent care centers. We continue to develop and deploy high-value clinical programs and engage millions of consumers to ensure people receive the right care, at the right time, in the right place.

OptumInsight

OptumInsight harnesses data and analytics to help clients reduce administrative costs, meet compliance mandates, improve clinical performance and transition to value-based care and payment models. Our solutions, delivered through software, technology, consulting and managed services, improve revenue management, payment integrity, risk and quality and network management performance.

OptumInsight provides solutions and services that allow our clients to navigate the complexities of the health system. We continue to expand our managed services offerings, utilizing broad insights from our research and consulting, technology and operating expertise. We are also focused on becoming a facilitator of strong payer-provider collaboration across administrative, clinical, financial and quality performance.

OptumInsight is actively investing in the future of data and analytics. We are expanding our capabilities in advanced technologies like blockchain and artificial intelligence – neural networks, machine learning and deep learning – as well as genomics, with a focus on total cost of care and quality.

Optum's health care intelligence, OptumIQ, is powered by a unique combination of data – including nearly 240 million lives of clinical, claims and benefit information – leading analytics and decades of clinical expertise.

OptumRx

OptumRx pharmacy care services uses the most frequent health care consumer touch point – pharmacy – to provide whole-person care that aligns pharmacy and medical needs to achieve the lowest net drug costs, decrease total cost of care, improve health outcomes and simplify the consumer experience for higher levels of personal satisfaction.

We are accelerating the evolution of our pharmacy care services model and creating a simple, smart and seamless consumer experience. In addition to enhancing our services in digital home delivery, we are extending current activities in owned retail dispensaries, specialty pharmacy and home infusion services.

Internal development and recent business combinations allow us to better serve our sickest and most vulnerable patients. We've recently added capabilities in managing limited and ultra-limited distribution drugs in oncology, HIV, pain management and ophthalmology as well as capabilities to serve the growing pharmacy needs of individuals with behavioral health and substance use disorders, particularly Medicare and Medicaid beneficiaries.

Optum Capabilities in Action

Optum's response to the opioid epidemic illustrates what is possible when our core business capabilities are brought together to address complex health system challenges.

Leveraging the clinical and behavioral health expertise of OptumHealth, the pharmacy care services of OptumRx and the health care intelligence of OptumInsight, we are partnering with care providers, pharmacists, governments, health plans and consumers to alter the course of this epidemic from every angle.

Committed to prevention, treatment and recovery, Optum is advancing best practices for prescribing opioids and identifying safe alternatives for treating chronic pain. Our sophisticated analytics track trends in opioid use, flag unusual dispensing patterns and conduct real-time medication checks to prevent unnecessary refills.

Optum is responding to the opioid epidemic by leveraging the clinical and behavioral health expertise of OptumHealth, the pharmacy care services of OptumRx and the health care intelligence of OptumInsight.

We partner closely with both care providers and patients to guide individuals to evidence-based medication-assisted treatment (MAT) and give them easy-to-use digital tools, such as mobile apps, to support long-term recovery. Ninety percent of our members live within 20 miles of a MAT provider. For clients who have adopted our opioid risk management program, we have seen a 31 percent reduction in short-acting opioid prescriptions and 96 percent compliance with CDC short-acting opioid prescribing guidelines.

OptumHealth OVERVIEW

FAST FACTS

92M
Unique individuals served

36K
Aligned care delivery physicians across OptumCare

99%
Of care delivery patients in CMS four-star or higher quality rated plans (2019 Star payment year)

1.4M
In-home senior evaluations through HouseCalls

$1B
Incentive reward payments earned through the Rally digital platform

~$10B
Optum Bank assets under management for consumers

3.4M
Optum Bank-managed HSA accounts and nearly $160B in electronically processed claims annually

OptumHealth is building a comprehensive and connected continuum of care to improve the quality, experience and total cost of health care.

OptumCare provides value-based care through local medical groups and ambulatory care systems:

- **Medical Groups and Independent Practice Associations** – offers a number of services including primary care and specialty care; positioned as the leading ambulatory health care platform in the U.S. committed to improving the quality and cost of care, while also improving both the patient and care provider experience.
- **MedExpress** – offers a broad scope of urgent care, employer health services and basic wellness and prevention through patient-centric neighborhood medical centers and worksite clinics.
- **Surgical Care Affiliates (SCA)** – in partnership with specialist physicians, provides a growing number of surgical procedures that can be performed in an outpatient setting, delivering a better experience and high-quality clinical outcomes at significantly lower costs.

We engage people proactively in their health, well-being and decision-making through:

- **Rally** – offers a comprehensive consumer digital health platform and programs that simplify navigating and managing health benefits, well-being and health care needs.
- **Optum Bank** – offers health savings and spending accounts, advanced financial education tools and consumer engagement capabilities.
- **OptumServe** – provides a wide range of health services specifically tailored to active military and veterans, and the agencies that support them.

We help anticipate and manage chronic, complex and behavioral needs through:

- **Behavioral Health** – supports and engages people with mental health conditions or substance use disorders through the nation's largest performance-tiered network.
- **Medical Benefit Management** – offers an integrated suite of benefit management services to reduce total cost of care, manage organizational risk and improve outcomes for individuals facing complex conditions such as cancer, kidney disease, transplants and musculoskeletal conditions.
- **HouseCalls** – conducts annual in-home clinical assessments that result in more complete and accurate identification of health conditions to close gaps in care.
- **Complex Care Management** – includes a post-acute delivery network and capitated/bundled risk management platform that offers specialized medical care for people living with chronic conditions, including transition support and care management for patients with complex needs living in a skilled nursing facility, assisted living community or at home.
- **Population Health Solutions** – helps people navigate their benefits and better manage chronic conditions, and provides support for families before, during and after pregnancy.
- **Post-Acute Care** – focuses on lowering total cost and managing risk on Medicare patients in post-acute settings via the Bundled Payments for Care Improvement initiative. OptumHealth owns an investment position in and operates with Sound Physicians.

OptumInsight OVERVIEW

FAST FACTS

3 out of **4**
U.S. health plans served

4 out of **5**
U.S. hospitals served

~$**10B**
In annual health plan and employer savings through Optum payment integrity solutions

~**50**%
Of U.S. Medicare and Medicaid population benefits from Optum's analytics, technology, and consulting capabilities

>**80**
Life sciences companies served globally

$**15.7B**
Revenue backlog as of Q3 2018, up $1.8B year-over-year

OptumInsight provides analytics, research, consulting, technology and managed services solutions to hospitals, physicians, health plans, government agencies, life sciences companies and other industry partners. OptumInsight leverages a broad foundation of data and analytics to help clients reduce administrative costs, meet compliance mandates, improve clinical performance and transform operations to succeed under value-based care and new payment models.

As customers face intensifying quality, financial, organizational and regulatory pressures, OptumInsight is well-positioned to provide proprietary data and analytics capabilities, built on the foundation of OptumIQ to help inform clients' clinical, financial risk and operational decisions. Insights span the continuum of health care and guide decisions about quality and outcomes performance, total cost of care and consumer engagement.

Research and Consulting

- **Advisory Services** – 1,300 consultants partner with clients on strategy, analytics, financial and risk management, value-based care, operational performance and system integration to help achieve meaningful results.
- **Advisory Research** – a team of 350 health care research professionals offers clients strategic insights on business process and industry best practices to reduce cost and increase quality through constituent-based publications, benchmarks, toolkits and onsite presentations.

Technology

- **Care and Market Performance** – analytics platforms and workflow software, along with dedicated teams of experts help customers better manage the total cost of care and advance population health management programs by integrating and mining electronic health record, claims, and employer benefits data using an array of clinical, financial risk and consumer engagement analytics.
- **Health Care Operations and Technology** – our services advance digital strategies including infrastructure services, cloud-based administrative and enterprise data platforms and application development and administrative services. These administrative services include claims processing and editing, electronic data interchange (EDI) and information exchange, and customer service and support.
- **Life Sciences Solutions** – real-world data, technology tools, and services enable clinical trials, advance therapeutic discoveries, and improve brand performance and market share.

Managed Services

- **Medicaid and Health and Human Services** – provides state government agencies technology services that streamline the administration of safety net programs while providing cost predictability for state budgets.
- **Payment Integrity** – offers a comprehensive portfolio of data mining, predictive modeling, claims editing, subrogation and payment integrity services to help health plans and governments more efficiently ensure all system participants receive appropriate payment for services, resulting in billions of dollars in cost reductions annually.
- **Revenue Management** – Optum360 improves revenue performance and the consumer experience with patient estimation, coding, documentation and claims integrity and processing solutions delivered through a flexible engagement model that includes commercial technology solutions, managed services and end-to-end outsourced revenue management transformation.
- **Risk Adjustment and Quality Management** – comprehensive risk and quality solutions appropriately identify member health status and improve outcomes using industry-leading analytics and an extensive team of clinicians, pharmacists and workflow experts who support care providers in the doctor's office and people in their homes. OptumInsight is helping payer clients close millions of quality gaps in care annually.

OptumRx OVERVIEW

FAST FACTS

>65M
People served

>1.3B
Adjusted scripts processed annually

>$90B
Total prescription spend managed annually

~$40B
Annual specialty pharmacy spend managed

$20-$25
PMPM medical savings when clients fully adopt our synchronized programs with the most impact on spend and outcomes

>400
Community mental health facility pharmacy locations

OptumRx delivers value through a full spectrum of pharmacy care services that improve health outcomes and reduce the total cost of care. OptumRx programs are deeply rooted in evidence-based clinical guidelines and delivered with industry-leading technology and innovation.

Health plans, employers, government agencies, unions and trusts rely on OptumRx for all of their pharmacy care needs. OptumRx continuously engages with stakeholders to deliver value by driving to the lowest net cost, decreasing total cost of care and creating smart, simple, seamless experiences for consumers.

The foundation of pharmacy care services is transparency: building trust through a model that delivers affordability and value, and simplicity and access, by aligning the interests of all stakeholders. We are focused on:

- **Affordability and Lowest Net Drug Cost** – affordability is at the forefront of a national debate on the cost of drugs. OptumRx is working to ensure people have access to the most affordable and clinically appropriate drugs and is helping plan sponsors pay the lowest net cost. Examples of our efforts include:

  1) Direct-to-Consumer Pharmacy Discounts – OptumRx's point-of-sale discount program is available to all clients to drive transparency and affordability to the consumer. When clients elect to participate, plan participants receive the discount when they fill a prescription through retail or home delivery. Our point-of-sale discounts on rebatable drugs average nearly $150 in net cost savings per utilizer per year.

  2) PreCheck MyScript – gives physicians real-time visibility into lower-cost, clinically equivalent alternatives at the point-of-prescribing and simplifies the consumer experience around pre-authorization. PreCheck MyScript is available to nearly 115,000 physicians through their electronic medical records. Nearly 20 percent of the time, physicians switch to more affordable medicines when clinically equivalent alternatives are offered through PreCheck MyScript, and 30 percent of prior authorizations are avoided or initiated electronically.

  3) OptumRx Drug Negotiations – OptumRx works actively to encourage lower list prices on new drugs and includes lower priced drugs on the preferred formulary. As an example, Mavyret is used to treat hepatitis C at a cost of $30,000 versus the therapeutic equivalent of Mavyret at approximately $100,000. OptumRx has saved clients over $50 million annually by placing Mavyret on its formulary.

- **Creating Smart, Simple and Seamless Experiences for the Consumer** – through personal digital channels and effective e-commerce models, OptumRx engages individuals and creates a simpler experience. Partnerships with retail pharmacies enable more impactful clinical interventions at the retail counter. By meeting consumers' needs when and where they wish, OptumRx creates a seamless experience and advances wellness and care.

- **Impacting Total Cost** – OptumRx clinical programs take billions of dollars out of the pharmacy supply chain and deliver that value back to consumers and clients. OptumRx turns insights into action by integrating pharmacy and medical data, and identifying actions that have the greatest impact for both consumers and clients. This whole-person approach is critical in specialty pharmacy and home infusion services, where the most expensive drugs are required. Advanced analytics identify and predict member risk and propensity to engage, allowing OptumRx to focus on the highest need consumers for the most significant impact on health outcomes and multiyear costs.

Optum's pharmacy care services business, OptumRx, is helping effectively manage the cost of health care with specialized capabilities such as home infusion services from BriovaRx. Personalized programs offer a more convenient experience for patients and caregivers who are managing challenging health conditions.

Q: How do you define the market size for Optum's services, both domestically and internationally?

The U.S. addressable market for Optum services is estimated at more than $800 billion. Over the next several years, we expect this market to grow at a mid-single digit annual percentage rate. The market includes care delivery, population health management and engagement, health financial services, health IT, benefit operations, care operations and pharmacy care services.

We estimate the international market at nearly $600 billion, with expected annual percentage growth in the mid-single digits over the coming years. Around the world, each local market has unique characteristics, but all share common needs for higher-quality care at a lower cost; data analytics to make the best decisions; and technology and resources to drive change.

Q: What is OptumIQ?

OptumIQ represents the health care intelligence we infuse into our products and services – our unique combination of curated data, powerful analytics and deep health care expertise that enables us to develop solutions and deliver insights into our customers' core workflows. With insights at their fingertips, customers can make informed decisions to improve outcomes, provide a better experience, reduce the total cost of care, adjust to new value-based payment models and simplify administrative processes.

Leveraging nearly 240 million lives of clinical, claims and employer benefit information, our experts build analytics into our technologies to provide clients a comprehensive view of clinical and financial performance. Our best-in-class data curation and enrichment process links billions of data points from across the system to help clients identify gaps in care, deploy effective population health strategies and modernize operations.

Q: How is Optum investing for long-term growth?

As the demand for data-driven insights grows, Optum is investing deeply in OptumIQ to prepare for the next decade and beyond with a particular focus on artificial intelligence, machine and deep learning and genomics. Through the expansion of OptumCare, we are building modern and locally effective clinical and administrative models to advance value-based care. We are focused on creating a smarter, simpler and seamless consumer experience through our market-leading consumer digital health platform. And we continue to advance the distinct value of our pharmacy care services model by addressing the fastest growing area of pharmacy spend – specialty pharmacy – through patient-centered home infusion services and site of care optimization.

OptumHealth

Q: How is OptumCare positioned in the market?

OptumCare is distinctly positioned to transform the patient and care provider experience, and deliver higher quality and a better experience at lower costs. OptumCare's operating model leverages local accountability for clinical outcomes and growth across a full spectrum of ambulatory services including primary care, specialty care, urgent care and ambulatory surgical care, to support the shift to value-based care in each community.

OptumCare drives high-performing care and population health, at scale, through:

- **Evidence-based medicine** – practicing evidence-based medicine supported by OptumCare's unique clinical expertise and technology integrated directly into a care provider's workflow.
- **Coordinated care** – guiding people to the right care at the right time and place with a care provider aligned with value-based care.
- **Chronic illness management** – effectively managing chronic illnesses through a team-based care model with all providers practicing at the top of their license and aligned with the unique needs of the local population.
- **Prevention** – preventing long-term disease through early diagnosis and a strong commitment to regular preventive care. For example, OptumCare senior centers provide a highly engaging environment for seniors at risk of developing, or who already have, chronic and complex conditions.
- **Access** – addressing consumer concerns by providing convenient care, often outside the clinic, through home visits, after-hours nurse lines and telemedicine.

Q: What is OptumHealth doing in the area of population health management?

Optum solutions motivate and empower individuals to become owners of their physical and mental health, well-being and health finances. We leverage data and analytics and applied research to drive relevant actions across and within populations of people. Compassionate nurses, coaches, behavioral specialists, social workers, medical directors and other experts help individuals receive timely support and resources that span the health care continuum. Online and digital tools work in parallel with care team members to provide additional support.

Q: How is Rally positioned as a consumer digital health engagement platform?

We believe that a comprehensive consumer digital health platform that helps people make the best decisions, reduces complexity and provides tools and resources to make informed choices will meaningfully improve the consumer health care experience. We start with a deep understanding of the needs of today's health care consumer and then build simple, seamless, personalized experiences that empower and motivate them. Rally helps consumers use their benefits better, find the right care, and understand and predict cost of care. Rally services include direct scheduling of appointments in select markets and the recent introduction of consumer digital payment capabilities.

Q: What differentiates Optum Bank in the market and where do you see this business developing?

Optum maintains a unique competitive position in the health financial account market informed by our ability to partner with the broader UnitedHealth Group enterprise to understand our clients as consumers of health care first, as well as consumers of financial services. This perspective enables us to leverage health care expertise and consumer analytics across UnitedHealth Group to more personally engage our customers around health access, affordability and transparency.

We help consumers use their health savings accounts to pay for the care they need now and help manage savings for future financial success. Our focus on consumers, combined with our ability to provide innovative banking and investment services, enables us to continue to broaden our distribution partnerships with organizations like AARP, Empower and a growing list of financial and payer partners. This contributes to our continued growth and market leadership, including nearly $10 billion in assets under management.

Q: What is your outlook for OptumHealth revenue growth and operating margins over the next several years?

OptumHealth is targeting double-digit percentage revenue growth on average and sustainable operating margins of 8 percent to 10 percent, as we continue to make productivity gains in our existing products and services while further investing in new platforms and markets.

OptumInsight

Q: What is OptumInsight's advantage over its competition?

Market competition in the health information technology market is highly fragmented, with a diverse set of players each largely competing in only one of our business areas, such as large scale health care IT and administrative infrastructure, or services focused on revenue management, consulting services or data and analytics.

Within this highly fragmented industry, OptumInsight is engaged across the entire marketplace and is uniquely differentiated from its competitors and well-positioned to grow with:

- An exclusive focus on health care with some of the most talented minds in health care.
- Integrated data from OptumIQ covering nearly 240 million lives of data, spanning clinical, claims and employer benefits. This data is used to drive business transformation for our clients while improving patient health outcomes.
- Scaled capabilities that leverage a "plan, build, manage" model, utilizing deep research, advisory services, technology and health care operating expertise.
- Key relationships with constituents across the health care system, enabling Optum to be the primary facilitator between health care trading partners for administrative, financial, clinical, quality and value-based interactions.

OptumInsight continues to expand its customer base by providing innovative capabilities, products and services that help clients successfully navigate the complexities and cost pressures as they shift to value-based care models.

Q: What are the primary solutions and services offered across OptumInsight's key markets?

OptumInsight solutions focus on driving improved financial and clinical outcomes across the health system. For example, we engage with clients on strategy formulation through our Advisory Research offerings; develop and implement a plan using custom solutions built by our deep bench of health care consulting experts; and provide an end-to-end managed service, including full outsourcing.

In the care provider market, Optum360 helps improve revenue performance and the consumer experience with patient estimation, coding, documentation and claims integrity. Through Optum Performance Analytics we identify improvement opportunities in care coordination, network provider management and quality and clinical integration.

Health plans are driving efficiencies while increasing quality of care with comprehensive Payment Integrity solutions that ensure all system participants receive accurate payment. Our Risk Adjustment and Quality Management solutions enable payers to identify member health status and engage people to improve outcomes. Our industry-leading analytics and an extensive team of clinicians, pharmacists and workflow experts support providers in their offices and people in their homes.

Q: What is the outlook for OptumInsight revenue growth and operating margins over the next several years?

OptumInsight sees the opportunity to average double-digit percentage revenue growth over the next several years. Our competitive positioning and diverse capability set have contributed to a rapidly growing sales pipeline and revenue backlog of $15.7 billion (as of Q3), reflecting growing demand for our solutions.

We continue to target long-term operating margins of 16 percent to 20 percent, depending on the ultimate mix of business we sell. Growth in scaled health care-specific managed services capabilities may slightly moderate our total margin percentage over time due to the higher labor content these services require.

OptumRx

Q: What is the OptumRx value proposition?

OptumRx provides a full spectrum of pharmacy care services aimed at managing the total cost of care and improving health outcomes using evidence-based clinical guidelines. We offer our customers distinctive capabilities around patient-centered analytics, clinical programs and specialty pharmacy, including home infusion. In addition, we offer traditional cost trend management solutions, such as formulary design, highly efficient owned retail dispensing and traditional retail partnerships and full home delivery services.

Using OptumIQ, our model integrates pharmacy data with inpatient and outpatient admissions, lab results and other medical and claims data. Combining this data with an array of clinical programs allows OptumRx to proactively engage individuals in more timely and relevant ways to close gaps in care, improve health outcomes and quality, and reduce total cost of care, not just pharmacy cost.

Our synchronized model extends to individuals taking specialty medications for complex conditions, such as multiple sclerosis, rheumatoid arthritis or Crohn's disease. These individuals often have co-morbidities, such as diabetes, heart disease or depression. We support them with a holistic clinical approach. A multidisciplinary team of clinical experts provides medication counseling and addresses care needs beyond the patient's specialty condition.

We simplify the consumer experience with digital tools that provide convenience, efficiency and security. Patients taking specialty medications can connect with pharmacists or our customer service team digitally on their device of choice – mobile phone, tablet or desktop. Refilling prescriptions is as easy as one click, via text, app or through our website – providing an e-commerce experience that consumers demand and have come to expect.

We provide physicians with unprecedented transparency when it matters most: in real time when a patient is in the doctor's office. Our PreCheck MyScript tool embeds directly in the physician's workflow through electronic medical records to facilitate ease of use. It features patient cost-sharing information, formulary placement and instant prior authorization approvals.

For clients, we place an emphasis on total cost of care and offer payment models that meet their specific needs. We continue to expand our use of value-based contracting and are defining and deploying value-based formularies. In addition, we are aggressively pursuing the use of artificial intelligence to accurately predict and intervene with people who most need help.

Q: What is OptumRx doing to advance value for customers in the area of specialty pharmacy?

Specialty pharmacy care services represent a significant opportunity to engage patients, improve outcomes, control costs and capture data for the benefit of customers and consumers. OptumRx operates BriovaRx, one of the leading specialty pharmacies in the market. BriovaRx provides high-touch condition management programs for patients living with high-cost chronic diseases. This enhances the quality of life for patients and reduces cost for the benefit sponsor.

OptumRx offers health care providers, consumers and plan sponsors programs to manage all chronic conditions and deliver improved health outcomes and savings by informing and engaging physicians, empowering consumers and personalizing care. Using our purchasing and clinical expertise, we are well-positioned to help customers better manage their specialty trends and cost challenges while improving care and outcomes.

Many specialty therapies are covered under a patient's medical benefit instead of the pharmacy benefit because the medication is infused, injected or administered by a care professional in a medical setting or at home. Using specialized capabilities from BriovaRx, as well as BriovaRx Infusion, the total cost of health care is effectively managed regardless of the site of care or how the therapy is covered.

Q: What is your view on the changing regulatory environment for the pharmacy supply chain and how do you expect the industry and business to evolve?

We led with point of sale rebates and our focus remains on lowering drug costs for the clients and people we serve. We welcome any changes to the regulatory environment that align with that goal. For example, we applaud the Administration's new policy to enable Medicare Advantage plans to use proven management tools in Medicare Part B. More pharmacy care services and capabilities are needed to address the high cost of drugs. As many studies show, eliminating rebates will not solve the problem of high prices set by pharmaceutical manufacturers.

OptumRx and other PBMs are the only participants in the pharmacy supply chain tasked with harnessing competitive market forces to reduce the cost of medications for consumers and the clients we serve. We support all efforts to increase competition, including FDA reforms that will bring biosimilars and generics to market more quickly.

OptumRx's pharmacy care services model goes beyond traditional pharmacy benefit management. It is focused on creating value for clients and consumers by driving to the lowest net cost for drugs, reducing pharmacy cost trends and overall health care costs, while improving care quality through innovative technology, synchronization of care and transparency. Given its breadth of assets, OptumRx is well-positioned to quickly respond to a changing regulatory environment.

Q: Why did you acquire Genoa Healthcare?

OptumRx completed a combination with Genoa Healthcare in September 2018 to enhance services for patients in community mental health centers. With one in five U.S. adults diagnosed with a mental illness such as schizophrenia, bipolar disorder or major depression, Genoa Healthcare's differentiated model of providing pharmacy services through on-site pharmacies at community mental health centers and telepsychiatry enhances access to care for patients across the country. The combination will help patients with behavioral health and substance use disorders gain access to improved pharmacy care services and advance health outcomes. Bringing Genoa into OptumRx will help align benefits, care management and pharmacy services for those living with complex, chronic medical and behavioral health issues. Adding these new capabilities supporting patients with behavioral health and substance use disorders will help public and private sector payers reduce their health care costs, and fits broadly in OptumRx's strategy to simplify the consumer experience in health care and to provide services that result in lowering the total cost of care.

Q: What long-term revenue growth rate does OptumRx expect? How about margins?

Over the long term, OptumRx expects revenues to grow at an average annual rate of 5 percent to 8 percent with operating margins in the 3 percent to 5 percent range. Our improved scale and operational proficiency have increased value to customers, while allowing us to sustainably expand operating margins in recent years.