

OVERVIEW

Each day, the people of Optum are inspired by our vision to deliver better experiences and outcomes for everyone we serve at a lower total cost of care.

As we collaborate across the health system, we have the unique opportunity to address the most critical challenges facing health care today and in the years ahead.

We are focused on helping fundamentally transform how health care is accessed, delivered and paid for in the U.S. This transformation will be critical over the next decade, as an aging population, the growing burden of chronic disease and expensive therapies challenge the health care system's ability to provide the high-quality, affordable care our society needs and deserves.

Today, we are directly addressing these challenges by more fully integrating our broad capabilities and driving greater synergy across our core businesses to develop solutions that measurably and sustainably improve care quality and reduce cost.

We believe Optum's most valuable contributions are still to come. We are committed to delivering our full potential for the people we serve, while continuing to achieve distinctive growth as we address a global health services market opportunity of over \$1.4 trillion, including more than \$850 billion in the U.S.

Optum is privileged to serve over 120 million consumers – one person at a time to improve their health.

Serving Across the System

Today, Optum serves and collaborates with stakeholders across the health system:

Consumers. Serving over 120 million individual consumers – one person at a time – we are elevating patient-centric care and support through the direct delivery of quality care, compassionate one-to-one guidance and leading-edge digital experiences.

Care Providers. We work with nine out of ten 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 four out of five health plans, helping to improve experiences and health outcomes for their members while reducing the total cost of care.

Employers. We help nine out of ten Fortune 100 companies, as well as federal and state governments, support the health and well-being of their employees, manage risk and control costs.

Government. We partner with all 50 states and the District of Columbia, and 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, therapies and technologies to improve care and outcomes for people.

Distinctive Capabilities, Expertise and Relationships

Optum leverages three core capabilities – embedded technology, clinical expertise and consumer experience – to meet our customers' evolving needs. Underlying these capabilities are deep health care data and information and leading analytic tools that translate data into actionable insight at the point of care.

Our unique combination of data, analytics and decades of clinical expertise powers Optum's health care intelligence, which is infused into all Optum products and services. Through our people, capabilities, growing scale and innovative relationships, Optum is positioned to expand on the value we deliver to those we serve and advance long-term growth.

Optum Businesses

Optum serves customers through three businesses: OptumHealth, OptumInsight and OptumRx.

OptumHealth engages people in their health and well-being; helps patients and providers navigate and address chronic, complex and behavioral health needs; delivers local primary, specialty, surgical and urgent care; and provides health financial services.

Through OptumCare, we are reinventing care delivery in local geographies as we build a patient-centric, physician-led, value-oriented health delivery system. We continue to bring our capabilities together in the geographies we serve to help physicians and other care providers transform experiences, quality and affordability for their patients and communities.

Our population health management solutions help people better manage chronic conditions, while our behavioral health offerings increase access to prevention and treatment services. We serve the most at-risk populations by, for example, providing clinical services to seniors in their homes and long-term care facilities.

Rally, our digital consumer health platform, motivates and rewards people for healthy behavior, and empowers consumers to find and schedule the most cost-effective care with the highest-value care providers. We also provide our veterans, active military and the agencies that support them a range of health services.

Optum Bank offers health savings and spending accounts, advanced financial education tools, and consumer engagement and payment capabilities.

OptumInsight is increasingly focused on comprehensive, innovative partnerships that allow customers to fully outsource analytics, care management, revenue cycle operations and technological capabilities.

OptumInsight helps make the health system smarter, more efficient and better connected by integrating data, analytics and clinical information to deliver software, technology, consulting and managed services solutions. We help customers reduce costs; improve revenue management and payment integrity functions; better manage risk, quality and network performance; meet compliance mandates; improve clinical performance and transition to value-based payment models.

Increasingly, OptumInsight is focused on transformational partnerships that allow customers to fully outsource analytics, care management, revenue cycle operations and technological capabilities. These partnerships deliver predictable results and continual innovation to our customers.

Through investments in modern technology, including leading-edge capabilities such as blockchain, ambient computing and artificial intelligence (AI), we are developing ways in which we can offer our customers advanced, integrated and interoperable solutions that drive better outcomes and experiences at greater value.

OptumRx is going well beyond traditional pharmacy benefit management (PBM) to empower better choices through a unique, synchronized model – pharmacy care services – that drives better outcomes and a simpler experience while reducing the total cost of care.

We use the most frequent health care consumer touch point – pharmacy – to align pharmacy, medical and behavioral needs. This whole-person approach connects the care people receive, the medicine they take and the behaviors that impact their health. By applying predictive modeling, we identify the best health or savings opportunities, address gaps in care and help patients avoid harmful drug interactions.

Our PreCheck MyScript prescriber tool, embedded directly in the clinician workflow, instantly shows the prescriber how much a drug will cost a patient, whether prior authorization is required and recommends effective lower-cost alternatives if available. MyScript Finder does the same for consumers, while directing them to the lowest-cost pharmacy for their prescription.

As high-cost specialty drugs continue to drive medical cost inflation, we are addressing affordability by focusing on reducing unit cost and appropriately managing the utilization of these medications.

Positioned to Help Move Health Care Forward

Across Optum, we are accelerating operational integration to drive progress in critical areas where we are uniquely positioned to make a difference.

Developing new comprehensive approaches to complex condition management

As the prevalence of chronic disease grows, we are more comprehensively managing chronic conditions by treating patients holistically, and coordinating their care to deliver demonstrably better outcomes and lower costs. We use data and evidence-based protocols along the entire care journey and guide patients to take the right next steps.

Our new, progressive oncology care model supports patients more fully to improve the chances they stay healthy, remain at home and avoid unnecessary hospital visits.

Our Cancer Guidance Program allows an oncologist – in real-time through a point-of-care decision support workflow tool – to determine if a proposed treatment plan is consistent with National Comprehensive Cancer Network (NCCN) Guidelines, the recognized standard in cancer care.

We are addressing misaligned incentives that can lead to the unnecessary use of higher-cost drugs. For example, at the OptumCare Cancer Center in Las Vegas, Nevada, early results show that decoupling drug payments from doctor compensation can significantly reduce oncology drug costs. We are also working to similarly align incentives in other high-cost clinical areas.

Reimagining the local care delivery system

Through OptumCare and in partnership with other providers, we are working to create the ideal local health care system. With the primary care physician as the anchor point for all patient care, we empower care providers with information and insights to coordinate each patient's care journey with a focus on proactive, preventive medicine, leveraging other Optum capabilities such as our in-home health assessment program, HouseCalls, OptumInsight analytics, and pharmacy care services to deliver a lower total cost of care with an exceptional patient experience.

One example is an evidence-based quality program called Optimal Care, which uses advanced technology to deliver information on clinical pathways at the point of care to help clinicians avoid unnecessary, low-value treatments. Initial results show the program driving significant reductions in unnecessary knee arthroscopies with patients who followed an evidence-based course of treatment of weight loss, the use of anti-inflammatories and physical therapy.

Optum's evidence-based quality program, Optimal Care, uses advanced technology to deliver information on clinical pathways at the point of care to help clinicians avoid unnecessary, low-value treatments.

Transforming pharmacy care services to improve clinical performance

Optum is improving health outcomes for patients and reducing costs in the system by continuing to advance pharmacy care services.

This model is foundational to managing high-cost specialty drugs used by chronically ill patients. We continue to deepen our ability to serve the needs of these patients by providing more convenient, less costly access to specialty pharmaceuticals, including the direct delivery of infusion services at home. Compared to care provided in a hospital outpatient setting, a treatment model that includes delivering infusions in alternate sites, such as the home, can result in savings of up to 50% per infusion.

With approximately 500 pharmacies, many of which are located on-site in community mental health centers nationwide, we are effectively serving the health needs of individuals among the 45 million Americans struggling with addiction or mental illness. Our high-touch approach is improving medication adherence, reducing unnecessary emergency room visits and hospitalizations, and lowering costs.

Together with those with whom we are privileged to serve and partner across health care, we will continue to leverage Optum's broad capabilities, deep expertise and market presence to deliver greater value to our customers, society and shareholders.

OVERVIEW

OptumHealth

FAST FACTS

95M

Unique individuals served

>46k

Aligned/employed physicians

~1.7M

In-home senior evaluations through HouseCalls performed enterprisewide in 2019

>1.5B

Incentive reward payments earned through the Rally digital platform

>\$11B

Optum Bank assets under management for consumers

3.8M

HSA accounts and nearly \$172B in electronically processed claims annually

>80

OptumCare payers

OptumHealth is building a comprehensive, connected health care engagement and delivery platform. Through this business, we directly provide high-quality care, help people manage chronic and complex health needs and proactively engage consumers in managing their health.

We provide value-based care through **OptumCare's** local medical groups and ambulatory care systems, including:

- **Medical Groups and Independent Practice Associations.** Our growing nationwide network is anchored by primary care and supplemented by specialty care (including oncology, cardiology and orthopedics). Our ambulatory care platform is committed to providing value-based care.
- **MedExpress.** We provide a broad scope of urgent care, employer health services and wellness and prevention programs through neighborhood medical centers and worksite clinics.
- **Surgical Care Affiliates (SCA).** We partner with specialist physicians to provide a growing number of surgical procedures that can be performed in an outpatient setting, delivering better patient experiences and high-quality clinical outcomes at significantly lower cost.

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

- **Behavioral Health.** We support and engage people with mental health conditions or substance use disorders through our performance-tiered behavioral health network.
- **Medical Benefit Management.** We offer an integrated suite of benefit management services to reduce the total cost of care, manage conditional risk and improve outcomes for individuals facing complex conditions such as cancer, kidney disease, transplants and musculoskeletal conditions.
- **HouseCalls.** We engage people in their homes and conduct clinical assessments that more completely and accurately identify health conditions, helping close gaps in care.
- **Complex Care Management.** We provide specialized medical care for patients with complex needs living in a skilled nursing facility, assisted living community or at home through a post-acute delivery network and bundled risk management platform.
- **Population Health Solutions.** We help people navigate their benefits and better manage chronic conditions while supporting them before, during and after a care episode.
- **Post-Acute Care.** We manage risk and reduce costs for Medicare patients in post-acute settings through the CMS Bundled Payment Care Initiative. We improve clinical outcomes with a holistic approach to managing DSNP members' health.

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

- **Rally.** We provide a comprehensive consumer digital health platform offering programs that empower consumers by making it simpler to navigate health benefits and manage their health and well-being.
- **Optum Bank.** We offer health savings and spending accounts, advanced financial education tools and consumer engagement and payment services.
- **OptumServe.** We provide a broad set of health services specifically for active military, veterans and the agencies that support them.

OVERVIEW

OptumInsight

FAST FACTS

4 out of 5

U.S. health plans served

9 out of 10

U.S. hospitals served

~\$13B

in annual health plan and employer savings through Optum payment integrity solutions

~\$70B

in annual billings managed for customers by Optum360

>80

Life sciences companies served globally

\$19.0B

Revenue backlog as of Q3 2019, up 21% year-over-year

OptumInsight provides data, analytics, research, consulting, technology and managed services solutions to hospitals, physicians, health plans, governments and life sciences companies. With a foundation of data, analytics, clinical content and automation, we help customers reduce administrative costs, meet compliance mandates, improve clinical performance and transform operations to succeed under fee-for-service, value-based care and new payment models.

We are committed to growing transformational partnerships that allow customers to focus on core competencies like care delivery, while outsourcing analytics, care management, revenue management and technology to us. Through these partnerships, our customers achieve predictable results and advance innovation.

OptumInsight assets include:

Research and Consulting

- **Advisory Services.** Optum consultants drive meaningful results by partnering with customers on strategy, analytics, financial and risk management, value-based care, operational performance and technology optimization.
- **Advisory Board Research.** Our team of health care research professionals produces publications, benchmarks, toolkits and presentations to provide customers strategic insights on business processes and best practices to reduce cost and increase quality.

Technology

- **Data and Analytics.** Our analytics, built on the foundation of health care intelligence, help inform customers' clinical, financial and operational decisions. Insights span the health care continuum and guide decisions on quality and outcomes performance, total cost of care and consumer engagement.
- **Care and Market Performance.** Our technology platforms help customers better manage total cost of care and improve population health by curating and integrating electronic health records, administrative claims and employer benefits data using clinical risk, efficiency, quality and consumer engagement analytics.
- **Health Care Operations and Technology.** Our technology services advance client digital strategies including infrastructure services, cloud-based administrative and enterprise data platforms and application development.
- **Life Sciences Solutions.** Clinically relevant data, technology tools and consulting services enable clinical trials, advance therapeutic discoveries and improve care and clinical outcomes for people.

Managed Services

- **Medicaid and Health and Human Services.** We provide advanced technology services to state governments to streamline administration of safety net programs, while improving cost predictability.
- **Payment Integrity.** We offer a comprehensive portfolio of services for data mining, predictive modeling, claims editing, subrogation and payment integrity to help health plans and governments ensure appropriate payment for services, saving them billions of dollars annually.
- **Revenue Management.** Optum360 helps health systems and hospitals improve revenue performance and patient experiences through patient access, documentation and coding, claims management, electronic data interchange and information exchange solutions.
- **Risk Adjustment and Quality Enablement.** Our comprehensive risk and quality solutions identify member health status and improve outcomes using advanced analytics to close millions of quality gaps in care annually.

OVERVIEW

OptumRx

FAST FACTS

>**56M**

People served

>**1.3B**

Adjusted scripts processed annually

~**\$96B**

Total prescription spend managed annually

~**\$40B**

Annual specialty pharmacy spend managed

Up to **\$300**

PMPY medical savings when customers fully adopt our integrated solutions

~**500**

Behavioral health pharmacies

OptumRx's full spectrum of pharmacy care services are making drugs more affordable and creating a better experience for consumers. Our solutions are rooted in evidence-based clinical guidelines and delivered with innovative technology to meaningfully impact total cost of care.

We make health care more affordable by helping people find the medications they need at the lowest price, while helping benefit sponsors pay the lowest net cost. We continually collaborate with our customers – including health plans, employers, governments, unions and trusts – to simplify the pharmacy experience and provide consumers easier access to more affordable medications.

OptumRx promotes the lowest net cost of a drug through negotiated discounts and outcomes-based contracts with drug manufacturers. We also continually focus on innovative new ways to drive cost-savings across the pharmacy supply chain. Our comprehensive prescription drug benefit services include award-winning clinical programs, specialty drug and formulary management and network claims processing.

OptumRx services include:

- **Pharmacy Care Services.** We help clients and individuals achieve better health outcomes and lower total costs by integrating medical, pharmacy and behavioral care. We use the consumer's most frequent touch point with the health system – pharmacy – to also address their medical and behavioral health needs.
- **Specialty Pharmacy.** We help improve outcomes and reduce costs by delivering personalized, holistic care for people who take high-cost medications for complex conditions.
- **Infusion Pharmacy.** Our highly trained nurses provide compassionate, convenient infusion therapy for patients both at home and at our infusion suites. We use advanced analytics to ensure injectable and infused drugs are administered at the most appropriate and cost-effective site of care.
- **Home Delivery.** Our home delivery service provides consumers a superior experience to retail pharmacy, offering greater convenience, savings and safety and driving better health outcomes and improved consumer engagement.
- **Community Pharmacies.** We operate pharmacies in community mental health centers across the U.S. to better serve individuals with mental illness, substance use disorder or other complex conditions. These clinically integrated pharmacies achieve higher medication adherence and reduce emergency room visits, hospitalizations and total cost.
- **Physician and Consumer Digital Tools.** Our PreCheck MyScript tool empowers physicians at the point of care. It instantly shows prescribers how much a drug will cost a patient and recommends equally effective lower-cost alternatives. MyScript Finder puts similar information at patients' fingertips via the OptumRx mobile app and website. These tools help improve affordability, care quality and patient experiences.

Q & A

Optum

Q: How do you think about innovation in your business?

Innovation is deeply rooted at Optum, and its impact ranges from incremental – moving health care forward step by step – to transformative and disruptive positive change. All innovations are focused on advancing a smarter, simpler and more seamless experience for those accessing, delivering and paying for care. Some are created organically through our extensive research and development capacities, while other capabilities are open-sourced through partnerships.

As the demand for data-driven insights grows, we are investing deeply in leading technologies like blockchain, Internet of Things, virtual reality and AI – neural networks, machine learning and deep learning – in order to position us to offer customers more advanced, fully integrated solutions.

Key areas of focus today include aligning the full spectrum of our care delivery assets closer together to build more connected and effective local care ecosystems supported by data, advanced technology and evidence-based medicine; creating a connected consumer experience through Rally, our market-leading consumer digital health platform; and advancing the value of our distinctive pharmacy care services model.

Q: How do you define the market size for Optum services?

The U.S. addressable market for Optum services is estimated at more than \$850 billion. Over the next several years, we expect this market to grow at a mid-single digit annual percentage rate. The market includes data and analytics, care delivery, population health management and engagement, health financial services, health IT, benefit and care operations and pharmacy care services.

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

Q: What are Optum's core capabilities and how do these capabilities support its competitive positioning and growth?

Advancing sustainable change in health care starts with our distinctive set of core capabilities. These include embedding modern technologies across the system to make it interoperable, transparent and efficient; expanding the scope and effectiveness of our clinical capacities – and aligning them with others; and continually enhancing the consumer experience to make it simpler and smarter. These capabilities are supported by our foundational expertise in data and analytics, enabling us to deliver distinctive health care intelligence. We leverage technology and data where it matters most, at the point of care, to deliver improved outcomes and experiences while reducing the total cost of care.

Q: How does Optum bring together its combined capabilities to provide comprehensive solutions for customers and what are the competitive implications?

Optum businesses collaborate to bring more integrated solutions to our customers and the health system at large. As we do this, we are uniquely positioned to capture market opportunities and drive system transformation.

For example, OptumInsight's analytics and technology expertise empowers the work of OptumHealth and OptumRx. Unique OptumHealth predictive models that find care gaps are built into OptumRx pharmacy care services. OptumRx's frequent touch points with consumers improve OptumHealth's ability to serve people's broader health needs. OptumInsight's growing technology, data and analytics capabilities continue to be further integrated with OptumHealth clinical services to help inform our customers' clinical, financial risk and operational decisions. Insights span the health care continuum and guide decisions about quality and outcomes performance, total cost of care and consumer engagement.

Today we are driving progress in key areas where our distinctive set of capabilities positions us to make a meaningful and lasting difference. This work includes reimagining the local care delivery system both through OptumCare and in partnership with other providers; developing new comprehensive approaches to complex condition management; and transforming pharmacy care services to improve overall clinical performance and patient experiences.

Q: What is Optum’s approach to customer and consumer engagement and what is the role of digital, data and technology in the future of consumer engagement in health care?

When Optum engages a customer, such as an employer, care provider, health plan or government, we first focus on understanding their biggest health challenges and opportunities. This enables us to align our capabilities to meet their specific needs and achieve measurable results. Together with them, we work to improve consumer outcomes and experiences while lowering the total cost of care.

When engaging consumers, our focus is on understanding each individual’s needs across the full continuum of care, from wellness and prevention to proactively and holistically managing chronic conditions; ensuring easy access to high-value, lower-cost care and services in the appropriate care setting; and coordinating all of a patient’s medical, pharmacy and behavioral care needs through a simple, connected experience.

Rally, our digital health platform, streamlines health care navigation to guide people to the right care. It simplifies their experience with a single dashboard where they can quickly search for, schedule and pay for care, compare costs, participate in clinically proven lifestyle programs and earn rewards for taking healthy actions.

Looking ahead, we continue to develop our proprietary Individual Health Record to provide care providers and individuals with a fully integrated, fully portable, real-time and dynamic medical record that is powered by the best-known science and able to recommend a path forward to achieve better health.

OptumHealth

Q: What is OptumHealth?

OptumHealth is a platform of health care products and solutions that engages people in their health, helps manage complex conditions and delivers direct care. Our customers include employers, health systems, government and more than 100 health plans.

OptumHealth helps increase access to care, improve health care quality and experiences for both providers and patients and reduce the total cost of care. Solutions span the entire care continuum and include consumer engagement and well-being programs, value-oriented patient care, chronic condition management solutions, behavioral services and post-acute care and health care financial services.

The ambulatory care capabilities of OptumCare, which include primary, specialty, urgent and surgical care, deliver personalized and compassionate care, one person at a time. Rally incents and rewards people for healthy behaviors and is available to 55 million consumers to help them find and schedule cost-effective care with high-value providers. Through our HouseCalls program, advanced practice clinicians directly engage with people in their homes to effectively close gaps in care. In 2019, we expect to conduct 1.7 million home visits and close 3 million gaps in care. We comprehensively serve 35 million people with behavioral conditions and substance use disorder through the nation’s largest performance-tiered network. Optum Bank offers health savings and spending accounts representing over \$11 billion in assets, as well as consumer financial education tools. Across the 95 million consumers we serve, our 46,000 aligned or employed physicians and more than 100 payer clients, OptumHealth is positively impacting the experience, quality and cost of care across the country.

Q: Describe the role that OptumHealth will play in developing and deploying the Optum strategy.

OptumHealth plays a critical role in Optum’s strategy. Our focus is on key areas of health care where we can make a lasting difference to improve the health and well-being of those we serve – transforming local care delivery and building condition-specific solutions.

Through both OptumCare and in partnership with other providers, we are working to create the ideal local care ecosystem – one that is physician-led, technology-enabled and integrated – that delivers a lower total cost of care with an exceptional patient experience and high-quality outcomes. With the primary care physician as the anchor point to all patient care, we empower providers with information and insights to coordinate each patient’s care journey with a focus on proactive, preventive medicine that leverages the full breadth of Optum capabilities like HouseCalls, OptumInsight analytics, and OptumRx pharmacy care services, to drive greater quality and affordability. Care is being delivered in local, highly integrated delivery networks that ensure the right care is delivered at the right time and in the right setting.

Our local care systems are distinctly managing referrals; lowering the overall total cost of care by preventing unnecessary and potentially harmful treatments; and creating a connected consumer experience. The strong and efficient collaboration among Optum-aligned wellness coordinators, primary care providers, specialists, surgeons, hospitalists, behavioral health providers and pharmacists provides a fully integrated patient experience.

We measure success by our ability to improve quality and clinical outcomes and provide outstanding experiences while lowering the total cost of care.

Q: Why is value-based care important to OptumCare and its future growth?

OptumCare is helping transform care by shifting local care delivery environments to value-based care. We believe that value-based care is the path to achieving better quality outcomes, outstanding patient and provider experiences and lower total cost of care. We help clinicians deliver the best care possible by streamlining and reducing administrative tasks and providing advanced tools that make it easier for them to focus on patients. The transformative potential of OptumCare is in its combined experience, technology and reach. OptumCare continues to grow in prioritized local geographies – further expanding our provider footprint and making a positive impact for more patients and their care providers.

To deliver the right care at the right time in the right setting, OptumCare is working to shift many geographies it serves to value-based care models, and is in the process of transitioning them to more accountable approaches. Shifting to delegated arrangements is a multiyear process requiring significant capital and time to build an operating infrastructure, and requires aligned payer partners committed to working with OptumCare to advance the right clinical and financial incentives. Once payer arrangements are in place, OptumCare ensures the local network has the programs, resources and tools, such as clinical best practice support and team-based clinic design, to successfully deliver significant quality and affordability improvements. This model allows OptumCare to assume greater clinical and financial accountability of a population, drive greater alignment across payers and providers, and deliver the highest-quality care to patients.

Q: What is Optimal Care, and what are the likely prospects for it to improve outcomes, costs and experiences for patients, providers and plan sponsors?

Optimal Care is uniquely positioned to drive value by helping our growing network of care providers identify and rapidly apply best practices in evidence-based medicine. It is a physician-led, patient-centric, evidence-based quality program that improves outcomes and experiences by reducing low-value and unnecessary care in our health care system. Currently, Optimal Care utilizes technology-enabled clinical decision support in gastroenterology, orthopedic surgery, pain management, cardiology and oncology.

Optimal Care results in:

- **High-Quality Outcomes.** Combining the science of medical research, data analytics and dedicated clinical providers ensures the right information is available at the point of care to help patients and physicians make the best care decisions and achieve the best outcomes.
- **Satisfied Patients.** Individuals fully participate in the care decision process, understand their treatment plan and know what outcomes to expect.
- **Clinician Well-Being.** Supporting physicians at the point of care with data and decision support tools built by physicians, for physicians helps improve physician engagement and satisfaction. Enhanced support for important decision-making conversations with patients, and supportive technology is embedded directly and conveniently in clinic workflows.
- **Greater Affordability.** Reducing unnecessary care, optimizing site of service and referring patients to high-performing specialists helps ensure the best use of system resources while lowering overall costs.

Applied broadly, we believe Optimal Care will help achieve a material improvement in the quality, experience and cost of care.

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

Optum Bank is the only bank solely dedicated to health care and it is integrated with a much broader set of health care technology, information and clinical capabilities. Serving health plans, care providers, consumers, employers and pharmacies, Optum Bank offers health accounts, payment solutions and insights and education.

Optum Bank manages more than \$11 billion in assets and serves millions of health savings account (HSA) holders through an industry-leading mobile app. Our financial solutions are informed by Optum data and analytics to help customers achieve their financial goals.

Optum Bank is focused on further developing its Payment Solutions platform that manages claims payments from health plans to care providers and pharmacies. In 2019, Optum Bank will process over \$170 billion in payments. It has one of the broadest health care payment networks in the industry with 1.6 million connected care providers.

Clients benefit from Optum’s extensive health care expertise and deep understanding of their challenges and opportunities. Optum Bank continues to expand its portfolio of products and services to drive greater health care affordability, streamline payment processes and deliver a superior consumer experience.

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

Rally Health entered the U.S. digital health market in 2010 with a mission to put health in the hands of the individual. Through personalization, incentives and best-in-class technology, our consumer digital health platform today is helping people take greater ownership over their health and health care; engaging and empowering consumers; and lowering health care costs by improving outcomes.

By 2018, Rally was available to 45 million consumers through partnerships with health plans, health care provider systems and more than 200,000 employers. Rally, now available to 55 million consumers, is fusing and enhancing elements of its existing well-being and care solutions into one solution to meet the needs of our partners and clients while streamlining the consumer experience.

Q: What is your outlook for OptumHealth revenue growth and operating margins over the next several years and what role do you expect future acquisitions to play in this growth?

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

OptumInsight

Q: How has OptumInsight's approach to its service offering continued to evolve over time?

OptumInsight's product strategy is informed by our research and consulting capabilities, which provide a dynamic understanding of client and market needs. Coupled with our rich data assets, these insights guide UnitedHealth Group's \$3.7 billion annual investment in electronic infrastructure, advanced analytics and emerging technologies. This allows our experts to create market-leading software applications and platforms that draw on reusable components to expedite, streamline and enable collaboration across the health system.

Proprietary software solutions are delivered through a flexible managed services model to remove inefficiencies from customers' administrative functions and deliver on performance-based guarantees through our revenue cycle, payment integrity and managed technology offerings.

OptumInsight delivers managed services at scale and advances cross-industry platforms that address specific market needs. This includes accelerating clinical research, moving toward a denial-free health system and ensuring appropriate transitions across the continuum of care.

Q: What are the key end-markets OptumInsight serves?

Our client relationships span the health care system and include our two largest end-markets – care provider organizations and health plans – as well as pharmaceutical companies, medical device manufacturers and governments. This comprehensive perspective on the industry allows us to anticipate client needs and develop products and services that are both targeted to solve specific challenges and responsive to regulatory changes. We believe that our ability to look across market segments, and develop cross-industry platforms that address shared needs, is unparalleled in health care.

Q: What is the outlook for OptumInsight revenue growth and 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 \$19.3 billion, that is up 13.5% year-over-year, reflecting growing demand for our solutions.

We continue to target long-term operating margins of 16% to 20%, depending on the ultimate business mix. 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: How has the OptumRx value proposition changed over time and what impact has that had on market share?

OptumRx is continually modernizing and transforming our business model to increasingly integrate medical, pharmacy and behavioral care.

Customers benefit from the growing value we deliver. Our focus is on improving outcomes, achieving greater affordability and creating a smarter and simpler consumer experience. Our transparent business model aligns with consumer and client needs and provides for value-sharing mechanisms that reinforce our value proposition.

We continue to enhance our portfolio of pharmacy care services. Today, we are focused on reducing the high cost of specialty drugs; offering in-home and outpatient infusion services; expanding the number of Optum behavioral health pharmacies; and enhancing our e-commerce capabilities. Our differentiated value proposition, along with our expanding portfolio of innovative offerings, is fueling strong growth and customer retention in a highly competitive market.

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

Leveraging our diverse assets, including specialty pharmacy and infusion services, our team of highly trained clinicians and advocates is addressing the unique specialty pharmacy needs of our patients in a variety of ways.

Our condition-specific care model manages the complexities of specialty drugs and is driving better outcomes at lower costs. Key to this model is pairing disease-specific teams with a proprietary clinical platform to tailor the patient experience, ensuring patients understand their disease, the therapy they are receiving and key success factors. With this approach we are achieving:

- 21% higher medication adherence rates and 4% lower condition-specific medical costs for our patients with inflammatory conditions.
- 20% higher medication adherence rates and 10% lower condition-specific medical costs with our patients with hepatitis C.

OptumRx also employs a number of cross-benefit solutions to manage the high cost of specialty drugs. Examples include:

- An automated evidence-based prior authorization process and a high-level clinical utilization review strategy for specialty drugs administered by providers across both medical and pharmacy benefits. This simplifies the provider experience while reducing costs.
- A solution that moves provider-administered injectable and infusion drugs to the most appropriate, cost-effective location, such as the physician's office or patient's home, to reduce drug costs and trend.
- The ability to move targeted drugs covered under the medical benefit to the pharmacy benefit and to provide these drugs through Optum Infusion can also help customers save money.

OptumRx is committed to utilizing our position within the industry to continue exploring cost reduction opportunities with specialty pharmaceutical manufacturers on:

- New negotiated discounts and controlling drug launch prices.
- Value-based contracting on a per-outcome basis for conditions such as cancer and multiple sclerosis.
- Implementing other price reduction mechanisms with pharma to pass the savings to our customers and patients.

We also support a fair and competitive biosimilars market through advocacy efforts with Congress and the Food and Drug Administration, while also piloting programs to expand biosimilar adoption.

Q: How is OptumRx approaching the rapidly changing competitive and political/regulatory environments?

We are committed to and actively engaged in advancing policy solutions to make prescription drugs more affordable for consumers. PBMs are the only entity in the drug supply chain mitigating the impact of high drug prices. We negotiate substantial discounts from drug manufacturers and retailers and pass those discounts on to our customers – reducing their annual drug costs – and then work with our customers to develop plan designs to bring the costs down further. We have taken action to make sure consumers directly benefit from the savings we negotiate by increasing the availability of discounts at the pharmacy counter for millions of eligible consumers, who are now saving, on average, \$139 per eligible prescription.

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% to 8% with operating margins in the 3% to 5% range. We expect our continued growth in pharmacy services like e-commerce, specialty pharmacy, infusion services and behavioral health pharmacies will allow us to continue growing faster than the overall market, while maintaining operating margins in our target range going forward.