

**Fourth Quarter 2020 Remarks
January 20, 2021**

Moderator:

Good morning, and welcome to the UnitedHealth Group Fourth Quarter and Full Year 2020 Earnings Conference Call. A question and answer session will follow UnitedHealth Group's prepared remarks. As a reminder, this call is being recorded.

Here is some important introductory information. This call contains "forward-looking" statements under U.S. federal securities laws. These statements are subject to risks and uncertainties that could cause actual results to differ materially from historical experience or present expectations. A description of some of the risks and uncertainties can be found in the reports that we file with the Securities and Exchange Commission, including the cautionary statements included in our current and periodic filings.

This call will also reference non-GAAP amounts. A reconciliation of the non-GAAP to GAAP amounts is available on the "Financial & Earnings Reports" section of the Company's Investor Relations page at www.unitedhealthgroup.com.

Information presented on this call is contained in the Earnings Release we issued this morning and in our Form 8-K dated January 20, 2021, which may be accessed from the Investor Relations page of the Company's website. I will now turn the conference over to the chief executive officer of UnitedHealth Group, David Wichmann.

David Wichmann

Good morning and thank you for joining us today.

We remain in a time of unprecedented challenges for individuals, employers and the health system broadly – particularly frontline clinicians, including our own. Health systems across the world have been and continue to be stressed.

Amidst these challenges, we are grateful for the daily displays of human spirit to serve others and the resolve to make things better. We remain optimistic, because we are also living in a time of unprecedented collaboration, knowledge sharing and innovation.

The health system has come together in ways previously not seen – a powerful, multi-dimensional response to support patients, physicians and communities.

I couldn't be prouder of, or more grateful to, the more than 325,000 women and men of this enterprise. They work each day under difficult conditions – with clinicians comprising well more than a third of the total – to advance a high performing health care system, one built on personal human connections, enabled through information and technology and supported by strong alignment of physician-led, value-based delivery of care. They are another profound reason for our optimism.

With all that's transpired in 2020, we finished the year responsibly and strongly. We delivered meaningful advances in NPS and employee engagement, and financial results well above the upper end of our expectations, all while navigating the uncertain environment and achieving our commitment to address financial imbalances resulting from the COVID-19 pandemic.

As we move into 2021, we believe we are well positioned to continue to serve more people, even more deeply and more effectively, while continuing to build this enterprise and grow strongly in the decades to come.

Just seven weeks ago we were privileged to spend a full day with you at our Investor Conference. Over the course of that day we tried to convey how we seek to lead in the development of the next-generation health care system. We shared the distinctive capabilities we apply to make health care more connected, more informed, more human ... and more deeply personal.

We finished 2020 encouraged by the performance across the businesses of Optum and UnitedHealthcare. Let me provide just a few, broad highlights.

The UnitedHealthcare Medicare Advantage offerings are off to an excellent start. 2021 will be one of our strongest years of growth – now expected to approach 900,000 more

people served – across individual and group Medicare Advantage and Dual Special Needs Plans.

UnitedHealthcare will have grown to serve 3.5 million more seniors over five years. Seniors choose our offerings because of the value they receive ... better health outcomes and experiences at lower costs. We've also been enhancing our offerings to better meet expectations about how people want to live their lives:

- Focusing on more digital and physical care resources in the home;
- Expanding our 1 on 1 concierge navigation services;
- And enabling the home as the safest and more effective setting of care.

UnitedHealthcare's Medicaid offerings continue to grow strongly as well, including entry into three new states in 2021. New business opportunities are substantial, with momentum towards managed care adoption by states and RFP activity accelerating this year and next.

And, while the economic effects of COVID-19 impacted UnitedHealthcare's employer-sponsored growth in 2020, we're encouraged by the positive market response to the new, highly consumer-centric offerings we've been discussing with you in recent months. Among these, our digital-first, on-demand and physician-led products each provide deeply aligned, modern, personal and coordinated care experiences and save people up to 20% compared to traditional offerings. These innovative products are generating significant responses because they are designed to better meet the unique needs and financial means of more people.

All in, we expect UnitedHealthcare will grow in 2021 to serve upwards of 1.5 million more people across its senior, community, employer-sponsored and individual offerings.

We continue to make important advancements and strategic investments to lay the foundation for the next-generation health system.

Over the last many years, you've heard us discuss our ambition to build high-performing systems of care – including an aim to reinvent health care delivery, which is the first of our five strategic growth platforms. The foundations for those efforts are in our primary and multi-specialty care practices. Optum Care entered 2021 with over 50,000 physicians and 1,400 clinics. Over the course of this year, we expect to grow our employed and affiliated physicians by at least 10,000. This work of building local, physician-led systems of care continues to be central to our mission and is accelerating with notable progress in the Northeast, Pacific Northwest and Southern California in 2020.

Two weeks ago, we announced the combination of Change Healthcare and OptumInsight. We expect this combination will greatly advance the foundational connectivity and collaboration needed for the next-generation health system, establishing a new, more modern information and technology-enabled health care platform. It will help accelerate the development and use of digital and advanced technologies – another of our five key growth platforms and critical to connecting all elements of our business strategy.

This advanced platform will help clinicians make the most informed and clinically advanced patient care decisions, more quickly and easily. Change Healthcare brings widely adopted technology for integrating evidence-based clinical criteria directly into the clinician's workflow, while Optum's clinical analytics expertise and Individual Health Record can strengthen the evidence base needed to deliver effective clinical decision support at the point of care. This can ensure appropriate clinical pathways are offered in the most appropriate sites of care, leading to consistent achievement of the best possible outcomes, experiences and value for the patients we serve.

Another key opportunity will be to enhance administrative processes by combining Optum's advanced data analytics with Change Healthcare's intelligent health care network to support simpler, more informed and accurate services and processing at considerably lower costs.

Finally, combining Change Healthcare's payment capacities with Optum's highly automated payment networks will simplify financial interactions among care providers, payers and consumers and accelerate the movement to a more modern, real-time and transparent payment system. This will help physicians get paid more quickly, accurately and reliably, and provide consumers with more options and convenience in managing their health care finances. The Change Healthcare team has been doing outstanding work and we're looking forward to working alongside them.

We continue to execute on the core initiatives we laid out for you in December. One example: As the pandemic disrupted care patterns, we all saw the increased need to enhance in-home and alternative settings of care, offering patients safe, effective and efficient care outside of the traditional venues.

However, the need for in-home care will continue to grow well beyond the current environment. We know that more than 80% of what impacts a person's health happens outside of traditional care settings. There is significant opportunity in offering consistent, cost-effective care for seniors, people with complex medical conditions, and geographically isolated individuals through in-home and alternative settings.

Offering a foundational ability to care for people in their homes is essential to developing a health system that is more consumer-centric, higher quality and lower cost. We already have well-established, trusted capacities to bring skilled care resources into the home including through Optum's HouseCall program. We expect our advanced practice clinicians will conduct over 2 million in-home visits this year.

And we are building upon this established home capacity, in many ways:

- We have introduced Vivify remote patient monitoring capabilities to improve connectivity and information sharing with physicians. This has been received positively by patients, with a Net Promoter Score over 80.
- Optum At Home provides in-person and telephonic touch points across an interdisciplinary team, including physical, social and behavioral aspects. The program increases preventative care, achieves exceptional NPS in the mid-80s, lowers medical expense and demonstrates high quality, with over 90% of our members in a 4 Star or higher plan.

Similarly, Optum's pharmacy care service enables patients to receive the care and medications they need, with capacities to deliver outside of traditional settings. OptumRx infusion services now addresses the needs of about 25,000 patients per month and is growing double-digits – which means more patients can obtain the care they need outside of the acute settings. That makes it safer, simpler and more affordable for people.

We remain encouraged as well by the traditional pharmacy services provided by OptumRx, with an over 98% customer retention rate entering 2021. We are off to a good start for the 2022 selling season, as we were recently awarded the honor to serve more than 2.5 million members of Blue Cross Blue Shield of Michigan.

In sum: We enter 2021 with momentum, confident in our capacities to navigate through, and begin to emerge from, these challenging times as an even more capable, diverse and growing enterprise.

Now I'll turn it over to Chief Financial Officer John Rex.

John Rex

Thank you, Dave.

The full year 2020 and fourth quarter results were favorable to the outlook we provided at our December 1st Investor Conference, while continuing to be impacted by the unprecedented environment which has existed most of the year.

To begin – as we know it is of great interest to you – I'd like to share what we are seeing in current care patterns. Starting at the highest level, within the broad member categories we serve, people with commercial benefits continue to exhibit overall higher levels of care activity, with less deferral than those served in public-sector programs such as Medicare and Medicaid. Our top priority remains getting people the care they need.

During the fourth quarter we saw overall average care activity return to seasonal baselines, compared to the just over 95% we cited for the third quarter. The pacing over the course of the quarter – perhaps not too surprisingly – moved from just below baseline as we began, to modestly exceeding baseline in the latter half. This measure includes increased direct COVID-19 related care, which in total comprised about 11% of all care activity during the fourth quarter compared to about 6% in the third quarter.

Looking deeper within specific care categories, outpatient activity began the quarter at baseline, and we were gratified people were able to obtain needed care, previously deferred. By the latter part of the quarter however, some outpatient activity moderated, as COVID-19 incidence elevated.

Total inpatient activity increased modestly over the course of the quarter, as the direct COVID-19 related care components rose as a percentage of the total in the latter half. For example, of the 65,000 COVID-19 related inpatient admissions during the quarter, about 20% occurred in October and about 50% in December.

Moving to our specific businesses, OptumHealth's fourth quarter earnings increased 16% year-over-year, as care activity at our fee-for-service practices and ambulatory surgery centers continued to recover, with these businesses now operating near baseline. Revenue per consumer served grew 29% over the year ago quarter. The growth in this measure reflects continued development of the value-based care arrangements, the depth of our offerings and the increasing acuity of the types of care we can deliver to the people we serve. You should expect this measure to continue to grow at a strong double-digit pace for many years to come. One example which highlights this potential: Of the 20 million patients Optum Care serves today, under 20% are currently in value-based arrangements. We expect both the number of patients served and the depth and number of value-based arrangements to continue to accelerate.

OptumInsight's earnings were ahead of the outlook we offered at the beginning of December, with overall 2020 performance impacted by lower levels of care – with revenues dependent upon care activity volumes for many of these businesses – and the generally subdued overall business environment. We continue to expect 10% to 15% growth in 2021 as care activity returns to normalized levels, and we continue to advance strategic relationships and broadened services with existing customers. This outlook excludes any impact from OptumInsight's combination with Change Healthcare, which we expect will close in the second half of the year.

OptumRx earnings were also ahead of this outlook. During 2020, revenues in our pharmacy care services and specialty businesses continued to grow at double digits and now comprise nearly half of total OptumRx revenue.

Turning to UnitedHealthcare, fourth quarter operating results were above our December view. They reflect continued customer and provider assistance measures to help people obtain the care they need, and comparatively lower levels of care deferral and higher COVID-19 care costs versus the third quarter. Results in the fourth quarter were further impacted by additional reserves for rebates and related activity, as plans with such

arrangements moved into these positions as a result of the cumulative care deferral impacts throughout 2020 and calendar year end assessments were concluded.

As Dave noted, sales activity in the Medicare Advantage open enrollment period was robust. Within the 900,000 new members we expect to serve for full year 2021, about 775,000 will be in Individual and Group Medicare Advantage and the remainder in Dual-Special Needs Plans, which are included in the Community and State Medicaid membership tables.

Strong growth in Medicaid membership continued in the fourth quarter. Recall, our full year 2021 outlook to serve an additional 200,000 to 300,000 people assumes state redetermination activities are reinitiated during the year.

We concluded 2020 with commercial membership about 100,000 people ahead of the outlook we provided at our Investor Conference. Early January results are well supportive of positive commercial growth in 2021; this even considering the challenging economic environment.

Our liquidity, capital positions and capacities remain strong. Full year 2020 cash flows from operations were \$22.2 billion, or 1.4 times net income, with the fourth quarter result exceeding the outlook we provided, due in part to early customer receipts. Our debt to total capital ratio of 38.9% compares to 40.2% last year.

As we look enthusiastically toward the combination with Change Healthcare, we intend to maintain our long-standing capital policies – including our approach to returning capital to shareholders via share repurchase and an advancing dividend, with ample capacities to continue building upon our strategic growth platforms, and ongoing priority on expanding our local care delivery capabilities.

Our full year 2021 outlook remains consistent with the early December commentary, with total revenue approaching \$280 billion and adjusted earnings per share in the

range of \$17.75 to \$18.25, inclusive of the negative COVID-19 related effects we described. Given the still highly dynamic circumstances, we will likely hold this broader than typical range of expectations as we – much like everyone else – continue to learn more about the environment.

Now I'll turn it back to Dave.

Dave Wichmann

Thank you, John.

As you can tell, the businesses of this diversified and growing enterprise remain strong and well positioned for sustained balanced growth as we continue to add new capabilities and market positions. We remain committed to our mission and an intense focus on serving one person at a time at increasing levels of value – more affordable, better outcomes and improved experiences – while generating strong returns for you, our shareholders.