First, thank you for spending your time to learn more about our growth story — how the two distinct and complementary businesses of Optum and UnitedHealthcare are creating value across health care and advancing our mission on behalf of the people and communities we serve.

We are working in partnership with governments, employers, clinicians and others to help build a modern, high-performing health system through improved access, affordability, outcomes and experiences for people. And when we deliver on that ambition, we earn the right to serve more people and we earn the right to grow.

I hope you see several themes carry through the conference and this book, beginning with Collaboration and the simple fact that we create substantial value for the health system by bringing together the unique strengths and capabilities of Optum and UnitedHealthcare to address multi-faceted issues.

Another is a focus on Consumer Excellence and a desire to simplify and streamline every aspect of our health system, so it works — and works better — for every person who depends on it. And finally, Modern Technology and the data and analytic capabilities to help make clinical care more precise, more effective and more equitable.

More than anything, I hope you see what this work is all about: real people — the compassion and dedication of my 340,000 colleagues and the 146 million people who we serve.

Taken together, we believe our durable strategy and distinctive capabilities will continue to propel our performance, sustain our 13% to 16% long-term growth rate and generate distinguished returns for our shareholders for many years to come.

Sincerely,

Andrew Witty
Chief Executive Officer
UnitedHealth Group
UnitedHealth Group is a health care and well-being company with a mission to help people live healthier lives and help make the health system work better for everyone.

We are 340,000 colleagues in two distinct and complementary businesses working to help build a modern, high-performing health system through improved access, affordability, outcomes and experiences.

Optum combines clinical expertise, technology and data to empower people, partners and providers with the guidance and tools they need to achieve better health. UnitedHealthcare offers a full range of health benefits, enabling affordable coverage, simplifying the health care experience and delivering access to high-quality care.

We work with governments, employers, partners and providers to serve 146 million people and share a vision of a value-based system of care that provides compassionate and equitable care.

At UnitedHealth Group, our mission calls us, our values guide us and our diverse culture connects us as we seek to improve care for the consumers we are privileged to serve and their communities.

Sustainability at UnitedHealth Group

Sustainability is an integral part of our business strategy, culture and mission as we work to help ensure the health care system works better for everyone in the near and long term.

• Helping to Build a Modern, High-Performing Health System. We are committed to a future that expands access to care, improves health care affordability, enhances the health care experience and achieves better health outcomes. Partnering with key stakeholders, we are advancing health equity, building healthier communities and supporting the ongoing response efforts to COVID-19.

• Responsible Business Practices. For more than 40 years we’ve developed strong and effective governance practices through compliance, board diversity and independence, a commitment to ethics and integrity, and an emphasis on data security and supply chain management.

• Our People and Culture. We celebrate our people, ideas and experiences, creating a culture where all team members are appreciated, valued and able to reach their full potential. We join together as individuals — forming a team as diverse as the people we serve — in meeting our responsibility to improve the health system.

• Environmental Health. We recognize the important role the environment plays in the health of every community and we are committed to mitigating our impact on the environment.

Learn more in our Sustainability Report.
UnitedHealth Group is working to build a health system with improved access, affordability, outcomes and experiences — not only for the 146 million people who we serve today, but for all Americans. To deliver on that ambition, we will continue to invest in and build upon our two distinct and complementary businesses — Optum and UnitedHealthcare — to further expand our market positions in the following strategic growth areas:

**Value-based, Comprehensive Care Delivery.** With more than 60,000 employed or aligned physicians serving over 20 million patients and more than 100 payer partners, UnitedHealth Group’s care delivery business is strongly positioned to help providers and payers transition from fee-for-service to value-oriented models designed to achieve higher-quality outcomes at lower cost.

Today, Optum Health serves 4.5 million people through risk-based contracts, including more than 2.2 million people through physician-led, fully accountable care. And while we’ve built the most comprehensive, value-based network in the U.S. — integrating primary, specialty, urgent, post-acute and home including virtual, behavioral and outpatient care — we believe we are still in the early stages of this journey. Looking ahead, we will continue to integrate our capabilities across our clinical, in-home and virtual assets, strengthen physician incentives across our care models, and broaden our reach to more people with commercial insurance and more Medicare and Medicaid beneficiaries. At the same time, UnitedHealthcare, a national leader in provider-oriented, value-based care will continue to deepen these relationships and collaborate with Optum in a range of value-based models.

**Health Benefits.** We will continue to invest to maintain our market-leading position in health benefits. Today, UnitedHealthcare serves more than 50 million people across its commercial and government programs, yet we estimate as many as 80 million people are currently not being served by managed care, which presents a significant opportunity for growth and to deliver better care and outcomes across all lines of business, especially within our government programs. To appeal to more individuals and employers, we will continue to prioritize making coverage more affordable, simplifying the member experience and incentivizing high-quality, supported care.

**Health Technology.** We believe we can play a vital role in using clinical data and intelligence to help redesign, automate and deploy new technologies to simplify administrative processes and clinical decision-making. Today this enables physicians and health systems to operate more efficiently and effectively, and better serve their patients. As a payer, provider and technology company, UnitedHealth Group is uniquely positioned to bring greater transparency and quality to the marketplace, by continuing to grow our portfolio of comprehensive market-level health system partnerships and improve clinical alignment with physicians, claims accuracy and administrative efficiency.

**Health Financial Services.** Streamlining payment processes for consumers and providers is a fundamental aspect of a modern health system. We believe integrating the end-to-end health banking and payments experience will help providers get paid more accurately, faster and with less administrative burden, making payments simpler, more convenient and affordable for consumers.

**Pharmacy Services.** As the most common touch point in health care, pharmacy care services are vital to improving patient outcomes and reducing total cost of care throughout the health system. Looking ahead, we see opportunity in several areas including: continuing to innovate as one of the industry’s largest pharmacy benefit managers, strengthening our direct-to-consumer offerings, capturing greater share of the growing life sciences market and seamlessly integrating our medical, pharmacy, behavioral and community health capabilities.
Long-term financial performance outlook

We anticipate continued growth of our health care enterprise, as a result of delivering differentiated value to our customers, consumers and society as a whole. We continue to maintain a long-term outlook for earnings per share (EPS) growth of 13% to 16% on average, with more than two-thirds of this growth driven by earnings from operations and the remainder from capital deployment. Earnings growth rates inherently vary year to year, due to changes in economic conditions, health program funding and regulatory changes, capabilities investments to drive future organic growth, and capital allocation activities such as business combinations, share repurchases and sustaining of our market-leading dividend. Following are specific elements of our long-term growth outlook:

• We expect UnitedHealth Group to average annual revenue growth in the upper single digits.

• Overall, we expect Optum to have a double-digit revenue growth rate. Margins could range from above 20% for technology products, to low- to mid-single-digit margins for some pharmacy care services.

• We expect UnitedHealthcare to continuously improve the value delivered to customers, resulting in growth across the businesses.

  • Our Medicare business is expected to continue to grow as the population ages and becomes even more polychronic, increasing the value of our coverage and services to Medicare beneficiaries, as compared to Original Medicare.

  • We expect our Medicaid business to grow as more states expand coverage and shift from a traditional fee-for-service system to managed care, especially for people with the most acute and complex care needs.

  • We see new innovative offerings as driving growth in the commercial business in the years to come.

• Aggregating UnitedHealthcare’s businesses, we expect the medical care ratio to rise over time as less penetrated, high-growth-potential government programs expand, which inherently come with a higher medical care ratio than our commercial businesses.

• Consistent with recent years’ results, we expect to sustain a strong overall mid-single-digit percentage operating margin over the long term, with variation based on business mix.

• On an equivalent business mix, we anticipate improving our operating cost ratio by an average of 20 to 40 basis points per year.

• We will continue to deploy capital through targeted acquisitions, seek to maintain a market-leading dividend and expect to continue ongoing share repurchase activity. We expect these will contribute in the range of 3 to 5 percentage points to our earnings per share growth rate.

• We expect our business performance and capital deployment will yield a sustainable return on equity of 20% or higher and return on invested capital in the mid-teens percent or greater.

Measuring and improving experiences through Net Promoter System (NPS)

For many years, UnitedHealth Group has used NPS to measure experiences across the health care journey, helping us improve everything from product design, to channel delivery, to customer service. Since introducing NPS testing and surveys, we’ve seen significant improvements in performance.

NPS is linked directly to our business goals, tied to our compensation systems and influences the decisions we make every day. As a result, we continue to associate strong NPS performance with positive economic factors such as customer retention, growth pipeline, consumer satisfaction and loyalty. We’ve also been able to show how our commitment to NPS, and the consumer experience propels improved access, affordability and outcomes.

We’re deepening our efforts to improve NPS by collaborating across our businesses to transform those experiences and journeys our consumers and patients tell us are most important to them.
For the last two decades, UnitedHealth Group has led hundreds of local and national health equity initiatives and invested millions of dollars in partnerships with like-minded change-making organizations. Our efforts are focused in four areas, including:

• **Expanding access to care** through the combined capabilities of Optum and UnitedHealthcare to create a modern, high-performing health system and working with community partners and academic institutions to develop and implement interventions that help make sure people can get the care they need.

• **Creating a diverse health workforce** reflective of the communities we serve and advancing a culture within our company that embraces inclusion, diversity, innovation and growth to better enable high-quality care for all.

• **Addressing social determinants of health** through meaningful community investments that support affordable housing, food insecurity and social isolation, and using interactive digital tools to personalize care for underserved populations.

• **Improving maternal health** through partnerships with federally qualified health centers, as well as predictive analytics and care management programs that support at-risk mothers.

This year, the United Health Foundation released its inaugural [America’s Health Rankings Health Disparities Report](#), which underscores the broad and deep nature of health disparities, while documenting their persistence over time.

We regularly consider the balance of allocating the capital created by our strong cash flow among several key priorities: ensuring the capital strength of our regulated entities and the overall enterprise capital structure; internal reinvestment opportunities; further growth through acquisitions; and returning capital to shareholders through dividends and share repurchases. Our board has authorized a double-digit increase in the dividend each year since 2010, to the current annualized level of $5.80 per share per year. The dividend has grown to approximately $5.5 billion per year on an annualized basis. The dividend is reviewed by management and the board on a regular basis, subject to business needs and market conditions.

From late 1997 to the end of September 2021, UnitedHealth Group repurchased approximately $65 billion worth of stock, representing over 1.5 billion shares at a weighted-average cost of approximately $42 per share.

We continue to believe in a measured approach to our share repurchase and shareholder dividend policies moving forward.
Overview

Optum

Optum brings together clinical expertise, technology and data and the compassion of more than 210,000 dedicated team members to help make health care simpler, more effective and more affordable for people.

**Improving the patient experience** by advancing how people engage with their health and care. We are committed to providing personalized, holistic support — medical, pharmacy and behavioral — for each person, in all care settings, at home and digitally.

**Enabling providers to focus on patients** by accelerating the transition to value-based care — reducing administrative burdens while providing technology-enabled insights that support optimal clinical decisions.

**Driving health equity** through action and advocacy, so every individual, family and community we are privileged to serve has access to the health care they need, when they need it.

**Improving health outcomes** by leveraging our clinical expertise, data and analytics to better predict, prevent and intercept consumers’ health conditions and ensure they receive the best evidence-based care.

**Serving Every Participant in the Health System**

Optum serves and collaborates with everyone who shares our commitment to a better health care future:

**Consumers.** Serving 127 million individual consumers — one person at a time.

**Care Providers.** We work with 9 out of 10 U.S. hospitals, more than 67,000 pharmacies, and physicians, practices and other care facilities across the country.

**Health Plans.** We serve 4 out of 5 health plans, helping improve experiences and health outcomes for their members, and reducing the total cost of care.

**Employers.** We help nearly 9 out of 10 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.** Through our presence in all 50 states and the District of Columbia, including 22 direct market relationships and partnerships with state programs, we help federal, state and municipal agencies meet the health care needs of the people and communities they serve.

**Life Sciences.** We serve over 90 global life sciences companies dedicated to developing new medicines, therapies and technologies focused on improving care and outcomes for people.

**Partnering to Build a Higher-Performing, Value-Oriented Health System**

Built on a foundation of health care data and analytics, Optum leverages three core capabilities:

**Modern technologies** that make the system more interoperable, transparent and efficient.

**Clinical expertise** that drives measurably better patient care.

**Digital and operational innovations** that make consumer experiences more personal and connected.

Our core capabilities, combined with our growing partnerships, market presence and unique relationship with UnitedHealthcare, position UnitedHealth Group for continued growth as we help create a higher-performing health system and deliver greater value to our customers, society and shareholders.
Optum Health is an integrated direct care delivery platform. We provide high-quality, accessible and equitable care, with better experiences, improved outcomes and reduced total cost of care. We proactively engage people in managing their health and well-being through in-person, in-home, virtual and digital clinical platforms.

We provide care to patients through:

- **Medical Groups and Independent Practice Associations.** Delivering primary, urgent and multispecialty care with ancillary capabilities through an integrated national care delivery network.

- **National Virtual Medical Group.** Offering integrated primary, urgent and behavioral health care solutions virtually, 24/7 in all 50 states in 2022, as an extension of our physical care delivery locations.

- **Ambulatory Surgical Care and Specialty Care.** Partnering with specialists to grow practices and outpatient surgery centers, we optimize site of service and align incentives to offer high-value ambulatory services.

- **Home and Community Platform.** Home care delivery capabilities with expertise in serving patients with complex medical, behavioral and social needs including:
  - **Post-Acute Care.** Providing post-acute care planning and coordination to improve an individual’s transition from hospital to home by bringing together physician advisory services, hospital medicine, emergency medicine and transition care to help individuals recover faster.
  - **HouseCalls.** Providing comprehensive clinical health and wellness assessments by advanced practice clinicians to patients in their homes to identify health conditions and close gaps in care.
  - **In-Home Longitudinal and Urgent Care.** Delivering integrated medical and behavioral care for individuals with multiple chronic or complex medical conditions in institutional, home and community settings.

- **Population Health.** Building and delivering superior integrated navigation, engagement and complex clinical and risk management services for payers and employers.

- **Behavioral.** Supporting and proactively engaging people with mental health and substance use conditions through performance-tiered behavioral health networks and on-demand clinical capabilities, as well as digital self-care tools designed to accommodate lower-acuity behavioral needs.

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

- **Lifestyle and Prevention.** Improving the health of consumers and preventing future medical expenses through digital wellness services, coaching and employee assistance programs.

- **Optum Financial.** Offering a simplified payment experience for individuals, payers and providers leveraging a smart digital care payment gateway, health savings and spending accounts, advanced financial education tools and consumer engagement and payment services.

- **Optum Serve.** Partnering with the U.S. Department of Defense, Health and Human Services, Veterans Affairs and other federal, state and local health care agencies to provide the full capabilities of UnitedHealth Group to individuals and communities.
Accelerating the transition to a value-based system

Optum Health is positioned to help accelerate the shift to value-based care across the health system. We believe value-based care is the path to achieving better quality outcomes for patients and lowering the total cost of care. Our patient-centered model allows Optum Health to assume greater clinical and financial accountability for a population, drive greater alignment across payers and providers, and deliver the highest-quality patient care and health outcomes.

Across our Optum Care business, we continue to expand and integrate primary, ambulatory, specialty and pharmacy care services in new geographies, grow our relationships with existing and new payers, and build a strong reputation in the Medicare, Medicaid and commercial markets. Primary care physicians are the anchor point for all patient care. Our approach strengthens the critical provider-patient relationship by empowering our primary care physicians with the latest information, insights and best practices to help them efficiently coordinate all patient care, manage referrals and identify higher-quality, lower-cost options.

An example is our Point of Care Assist solution that allows care providers to confirm in real time member eligibility and out-of-pocket costs, locate the highest-quality care providers to refer patients, and receive member-specific recommendations to address gaps in care. Additionally, the Center for Advanced Clinical Solutions offers practical tools and resources, including a value-based care clinical library and solutions that integrate electronic medical records across vendors, to support clinical practitioners and minimize administrative activities.

We are also helping create a better patient experience by reducing friction and complexity in the health system by enabling the smoother flow of information and transactions, and empowering organizations with cohesive health care intelligence across clinical, financial, operational and administrative functions. Our solutions work together to automate processes, digitally connect systems, and ensure eligibility and benefit coverage in the clinical setting elevate the patient and clinical practitioner experience.

Seamless care experience for patients on their terms

We strive to offer a near seamless experience between virtual and traditional primary, behavioral, specialty and urgent care. We are blending virtual and in-person health care services in a way that enables patients to receive care that best meets their needs, whether it’s in a primary care clinic, at home with an advanced care practitioner, or consulting with their behavioral health therapist virtually.

We are investing in virtual telemedicine capabilities and advanced remote and home monitoring technologies to enable the real-time flow of accurate information between providers and patients, with an intense focus on serving high-need, chronic patients. These capabilities include the new Optum Virtual Care platform that enables precision navigation and matching tools connecting patients to their own provider.

Another example of our collective strengths together at scale is our ability to deploy HouseCalls and post-acute care to meet the care needs of a patient in their home. Through HouseCalls, advanced practice clinicians engage Medicare Advantage patients in their homes to increase visibility into members’ diagnoses, medications and general health. Our post-acute care business will serve nearly 10 million people by year-end 2021, providing them with care planning and coordination for their transition from hospital to home.

These programs enable more personalized care that delivers enhanced value in the comfort of an individual’s own home, while caring for their physical, mental and social needs.
Quality and timely access to integrated behavioral care

Optum Behavioral Health is one of the largest behavioral health networks in the country with more than 300,000 providers serving 37 million individuals. We are focused on improving access to behavioral health services, providing timely high-quality treatments and resources to meet people’s needs. Our behavioral health offerings are expanding, driving deeper integration between medical and behavioral, with a primary objective of providing value-based care. Our care delivery platform includes high-quality digital solutions for consumers, behavioral health support for medical providers through our telepsychiatry platform, and integration of care management through community pharmacies. For example, psychiatric nurse practitioners are fully embedded into our Dual Special Needs Plan (DSNP) team to deliver behavioral health consultation and virtual medication management as needed.

Simpler and more convenient health care payments

Optum sees an opportunity to help improve the health payments sector by delivering end-to-end integrated banking and payment experience, creating a seamless payment system for patients, providers and payers. As a financial institution and a health care company, we have a 20-year foundation of managing more than 8 million health banking accounts with over $18 billion in assets under management. We’ve developed deep relationships with over 2 million care providers and expect to process nearly $260 billion in payments for 2021. Using proprietary insights and technology, Optum Financial is helping health care providers get paid faster and reduce their administrative burden through information and technology-enabled, secure and highly configurable multi-payer provider payments and innovative financing solutions. For consumers, we are helping make health payments easier, more convenient and affordable by bringing together multiple rewards and benefits to a single card solution that we will be launching in 2022.

Optum Health growth outlook

Our investments in the Optum Health portfolio allow us to meet the unique aspects of a patient’s journey in a differentiated way. We have deep knowledge and experience from scaling markets like Texas, Florida and Southern California — all of which position us for accelerated growth. Alongside geographic and population expansion, Optum Health expects to drive growth through the continued shift from fee-for-service and shared savings arrangements to full risk. Optum Health is targeting double-digit percentage revenue growth on average and sustainable operating margins in the 8% to 10% range as we continue to invest in our existing products and services and new platforms and markets through de novo development and strategic acquisitions.
Optum Insight connects the health care system with trusted services, analytics and platforms that make clinical, administrative and financial processes easy and efficient for all participants in the health care system.

To deliver results and improve outcomes in health care, technology must be applied within the flow of decision-making, enabling the interactions and decisions that real people make. Optum Insight has both the foundational data and technology and the health care expertise, services and industry connections required to deliver results. We are a health care company that can take technology and connect it with how health care works. Our growing list of market performance partnerships is proof we are viewed as uniquely positioned in health care to apply technology, scale and the intelligence that comes from data to optimize performance and drive results.

Improved transaction efficiency, less constituent friction and better decision-making in health care requires superior solutions that are deeply connected:

- **Administrative Efficiency** from enriched data flows and unique analytics-driven intelligence that streamlines administrative transactions.
- **Clinical Alignment** between payers and care provider organizations, enabling care decisions aligned to evidence-based standards of care, all in the workflow of clinicians.
- **Payment Simplification** that provides patient payment obligations at the point of service and accelerates provider payment from both patients and payers.

We serve four key markets, Payer, Provider, State Government and Life Sciences, with:

- **Data and Analytics.** Assembling, enriching and analyzing health care information using a library of advanced analytics (e.g., AI, NLP, machine learning) to create transparency in information, and inform decisions and actions based on that knowledge.
- **Thought Leadership.** A trusted advisor across health care for organizations looking for help with strategy or planning through our subscription-based research business and an advisory services business with over 1,500 consultants.
- **Trusted Services.** Applying proven solutions at scale to reduce clinical and administrative waste and improve quality of care through focused offerings (e.g., revenue cycle, payment integrity, risk and quality) and large-scale, transformational partnerships.
- **Transaction Connectivity.** Creating a multi-tenant network of connections across constituents that helps providers, payers and consumers exchange administrative and clinical information directly in their workflows to increase policy transparency to drive both efficiency and enhanced quality.
Optum Insight helps solve the biggest challenges across health care by empowering people with the information they need at the moments they need it. We standardize, link and integrate data from many disparate sources resulting in a database of nearly 270 million deidentified lives. That data is transformed into insight using advanced technology that assembles, enriches and analyzes health care information using a library of advanced tools like natural language processing and machine learning. For example, our proprietary propensity models help integrate social determinants of health data and operationalize new analytic results for improved accuracy. This helps payers and providers consider each member’s level of social isolation, engagement with the health care system and personal health choices.

Another strength is applied expertise — how we leverage our knowledge of health care to help make better health care decisions. For example, our data scientists develop models to find patterns that humans can’t identify on their own. This enables us to help our clients and partners anticipate if an individual will develop a chronic condition, or flag transactions that signal fraud, waste or abuse.

The value these strengths bring to the health system is evident in three areas: administrative efficiency, clinical alignment and payment simplification. For administrative efficiency, the application of enriched data and analytics helps reduce the wasteful denial/rework cycles of billing and claims processes. For clinical alignment, care decisions that are aligned to evidence-based standards simplify the traditional manual utilization management processes and infrastructure of payers and providers. For payment simplification, payment accuracy and cycle times are improved with patient and payer payment obligation information in the care delivery workflow.

Both within UnitedHealth Group, and more broadly across the industry, this enables the health system to improve performance in areas like care management, quality performance and reporting, and overall risk management.

Optum Insight serves health plans, care providers, state governments and life sciences companies. Our two largest markets are health plan and care provider organizations.

For health plans, we provide payment integrity services that deliver approximately $30 billion in total cost-savings annually, analytic platforms and consulting services to improve clinical and administrative performance.

For care provider organizations, we provide analytics and consulting services to improve their performance and electronic data interchange with nearly 1.2 billion transactions processed through Optum Data Exchange each year. In addition, we continue to see growth in outsourced health system partnerships.

Local health systems are facing growing financial and operational challenges and we are helping them tackle their most pressing issues by drawing upon the full breadth of Optum’s strengths — from operations, revenue cycle management and advanced technology to care coordination. For example, the year-plus relationships with health systems like Boulder Healthcare and John Muir Health are showing strong results. Both systems are seeing benefits in revenue management, cash collections, bond ratings and care efficiencies. In addition, these partners are able to capitalize on the scale, capital investments and overall expertise of Optum to continually innovate and remain independent.
The market dynamics continue to support additional opportunities as well, with health systems seeking new ways to ensure financial sustainability and to improve clinical outcomes and experiences for people in their communities. Recent new partnerships include Bassett Healthcare and SSM Health, each with a broad scope of services, including revenue cycle management, an extensive set of advanced data and analytic capabilities, and information technology to advance quality care and patient experience.

Based on numerous conversations with provider clients, we believe the opportunity for additional enterprise partnerships is significant. The pipeline is robust, evaluations are advancing and interest remains high.

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**Optum Insight growth outlook**

Over the long-term, Optum Insight sees opportunity to average double-digit percentage revenue growth. Our current footprint, competitive positioning and diverse capability set contribute to continued growth in our sales pipeline and revenue backlog, indicating growing demand for our solutions.

As Optum Insight provides larger and more comprehensive services to customers, we anticipate achieving long-term operating margins of 18% to 22%.
Optum Rx

**Fast Facts**

- **>60M** People served
- **>1.3B** Adjusted scripts processed annually
- **~$115B** Total prescription spend managed annually
- **$45B** Annual specialty pharmacy spend managed
- **>600** Community pharmacies

**Optum Rx** is driving the integration of pharmacy and medical care and is uniquely positioned to serve patients with complex clinical needs and consumers looking for a better, more transparent digital pharmacy experience. Our innovations are delivering lowest net drug cost to clients, while our transparency tools show members and prescribers how much a drug will cost, recommend appropriate lower-cost alternatives and direct patients to the lowest-cost pharmacy.

Our comprehensive services include award-winning clinical programs, innovative specialty drug and formulary management approaches, and a digital-first consumer experience. Combined with our infusion services, community pharmacies and home delivery footprint, we are advancing a whole-person care approach.

- **Pharmacy Benefit Business.** Our pharmacy benefit business is the evolution of our differentiated pharmacy benefit manager (PBM) which directly negotiates on behalf of clients to drive value and affordability. Our pharmacy benefit business is best in class in client transparency, clinical policy and analytics, and solution-oriented services.

- **Pharmacy Care Services.** We help clients and individuals achieve better health outcomes and lower total costs by leveraging our pharmacy footprint to deliver an integrated experience across a patient’s pharmacy, medical and behavioral health needs.

- **Specialty Pharmacy.** Through our omnichannel pharmacy, we deliver access to limited distribution drugs, comprehensive infusion pharmacy care, a supportive care provider experience and disease-area expertise. We go beyond transactional dispensing to deliver personalized, holistic care for people who are prescribed high-cost medications for complex conditions.

- **Infusion Pharmacy.** Our network of more than 1,100 nurses provides compassionate, convenient infusion therapy both at home and in our community infusion suites. We use advanced analytics to ensure drugs are administered at the most appropriate and cost-effective site of care.

- **E-Commerce Pharmacy.** Our home delivery business provides consumers with pharmacy benefits that improve convenience and savings, delivered in the safety of the home. Our innovations in home delivery focus on providing seamless refills and improved medication information while advancing the speed and quality of service to our e-commerce consumers. Our personalized multi-dose packaging solutions help consumers manage complex regimens of medications, supporting adherence and better health outcomes.

- **Community Pharmacies.** We operate more than 600 community pharmacies across the U.S., often located in community mental health centers, to better serve individuals with mental illness, substance use disorder and other complex conditions. These clinically integrated pharmacies achieve higher medication adherence, while significantly reducing emergency room visits, hospitalizations and the total cost of care.

- **Rare Disease and Gene Therapy Services.** As more high-impact therapies emerge to treat rare diseases, we are working to secure access to these therapies for consumers and support plan sponsors in managing costs and outcomes.

- **Direct-to-Consumer.** We offer a range of health products and services directly to consumers. Optum Store is on a mission to create a curated whole health experience that drives better health outcomes for all 330 million Americans irrespective of their insurance status, combining care, pharmacy and health and wellness products.

- **Physician and Consumer Digital Tools.** We are creating a better pharmacy experience for consumers with advanced digital capabilities. PreCheck MyScript instantly shows providers how much a drug will cost and recommends equally effective, lower-cost alternatives. MyScript Finder puts similar information at patients’ fingertips through the Optum Rx mobile app and website.
Highlights

Optum Rx

Growing value proposition of Optum Rx

Optum Rx is continually improving its business model to redefine and deliver greater value to our consumers, providers and clients. We utilize the three core pillars of our business: a pharmacy benefit business which directly negotiates on behalf of our clients to drive value and affordability; pharmacy care services that are reducing the high cost of specialty drugs, offering in-home and outpatient infusion services, and extending access to behavioral health; and a growing direct-to-consumer business, built to offer a range of health products and services.

To continue to drive value, we are accelerating the integration of medical, pharmacy and behavioral care centered on treating the whole patient. We increasingly focus on improving health outcomes by powering clinical precision and empowering patients.

Customers benefit from the growing value we deliver through greater affordability, a more accessible and simpler experience, advocacy and compassionate care. Our transparent business model aligns consumer and client needs.

Our differentiated value proposition, along with an expanding portfolio of innovative offerings, is fueling growth and customer retention in a highly competitive market.

Differentiated approach to specialty pharmacy

Our team of highly trained clinicians and advocates addresses the specialty pharmacy needs of consumers, driving better outcomes and a tailored experience at lower costs.

Optum Rx also employs cross-benefit solutions to address the high cost of specialty drugs through integrated cost management. Our strategy is focused on simplifying processes and the care provider experience. For example, we are enabling providers to identify the best treatment regimen, weighing clinical and financial information, to help customers have a better, more affordable experience across their medical and pharmacy benefits.

Optum Rx is committed to exploring continued affordability opportunities with specialty pharmaceutical manufacturers. We support a fair and competitive biosimilars market, while piloting programs to expand biosimilar adoption.

Finally, the growing pipeline of rare and gene therapies offers the promise of life-altering outcomes for conditions that have historically been difficult or impossible to treat. Optum is well positioned to manage the challenges presented by these ultra-high-cost therapies. We are organizing and developing solutions across the enterprise to support both payers and manufacturers to enable patient access to these life-changing therapies, including capabilities such as outcomes-based contracting, utilization management, networks, distribution solutions and risk management.

Expanding direct-to-consumer capabilities

Our ambition is to become the destination for consumer health, through a convenient, transparent and affordable platform that can serve consumers across their pharmaceutical, behavioral and clinical care needs.

The Optum Store health marketplace offers a cash pharmacy, virtual provider visits (both over text and video, in partnership with Optum Virtual Care), a growing diagnostics business and more. We are initially focusing on cash pay for generic medications, women’s health and a mental health subscription service, and are launching expanded offerings with additional sub-specialties.
Our off benefits Optum Perks cash card solution, which is centered on price transparency and affordability, continues to evolve with consumer demand. We are integrating Optum Perks with the store, allowing for expanded service via mail order, as well as the existing retail solution.

Our multi-dose packaging service has been further integrated into Optum Rx's home delivery operations and has seen a meaningful increase in adoption. With a focus on consumers taking multiple medications, we are delivering an adherence rate greater than 90% for 30-day scripts for diabetes, hypertension and statins, compared to 60% to 70% at retail pharmacies.

**Simplifying the pharmacy experience**

We continue to invest in improving and simplifying the experience for our clients, providers and consumers.

Within our pharmacy care services, our multi-dose product creates simplicity for our most complex polypharmacy patients; our infusion services bring care conveniently into the patient’s home; and our cell and gene therapy risk product brings transparency and predictability to our clients.

Our Optum Frontier Therapies (OFT) business creates simplicity for the most complex patients requiring rare and orphan drugs. These patients face multiyear diagnostic journeys impacted by a multitude of pharmaceutical, medical and social determinants of health issues. OFT works closely with payers, providers, patients and pharma to create a holistic, end-to-end experience to support each patient’s needs.

Our home delivery members substantially increased their use of our self-service digital tools to fill and refill prescriptions this year. The overall process was simplified and made more accessible. These advancements lead to a better consumer experience and higher satisfaction levels, as well as a 15% year to date reduction in the number of times a member contacted us for each prescription shipped.

Today, Optum Rx members can search for their medication and compare pharmacy and alternative drug options online (OptumRx.com or Optum Rx mobile), at their provider’s office (PreCheck MyScript) or on the phone with our customer service team. PreCheck MyScript will be available to 90% of prescribing providers by year-end 2021. We have seen provider usage increase nearly 70% year over year in 2021. And importantly, people are saving on average $225 per script by using PreCheck MyScript.

Self-service tools have been developed to proactively notify patients by email if a drug or pharmacy saving is available. Members are directed to a digital experience where they can take action on these savings opportunities, including automated switches to Optum Rx Home Delivery.

**Optum Rx growth outlook**

Over the long term, Optum Rx expects revenue 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, such as e-commerce, specialty pharmacy, infusion services and community pharmacies, will allow us to continue growing faster than the overall market, while maintaining operating margins in our target range going forward.
UnitedHealthcare is a leader in health benefits, driving affordable coverage, simplifying the health care experience, improving consumer health and advancing health equity, and delivering access to high-quality care. We bring together technology, data and clinical information to serve people from their earliest years through their working lives and into retirement.

Through the broad capabilities of the organization and passion of our 130,000 dedicated team members we are helping connect the pieces of the health care system, driving positive change for the people we serve.

We Believe Everyone Deserves Affordable Health Care

We are helping people find the best paths of care at the right place and time, while also taking cost out of the system through modernized clinical programs. Innovative product designs, like our virtual primary care offerings, expanded care provider network capabilities such as our Medicare Advantage ACOs, and network configurations like the Harmony plan in California can improve health outcomes as well as the patient and provider experience.

Our value-based care initiatives are helping people access high-quality, evidence-based care that improves outcomes and lowers medical costs by keeping people healthier. Consumer-centered plan designs help people make better informed decisions about how to achieve their best health. Investments in digital tools and virtual care plans are improving how people access and receive care while bringing greater transparency and reducing costs.

We Believe Health Care Coverage Should Be Simple to Use

Health care can be complicated, but we are working diligently to make coverage easier to use, meeting individuals’ needs on their terms. Working with care providers, we can make it simpler for them to work with us and care for the health of our members.

Our consumer-centric, digital approach provides customized and personalized experiences for individuals and providers. Site of service innovations such as home-based care are expanding where and how people access care. Advocacy and navigation programs are helping patients at every step in their care journey. Working with care providers, we can make it simpler for them to work with us and care for the health of our members.

We Are Helping Modernize Care Delivery

Through the power of our technology, data and analytics capabilities, we can fully leverage our national network of 1.5 million provider relationships to enable the delivery of better health outcomes that lower the overall cost of care. And we are expanding our reach beyond health care, investing in areas that influence the health of our members outside the doctor’s office, such as affordable housing and food insecurity.

We do this by working with Optum to expand provider relationships that reward value — both affordability and quality. We develop new capabilities to support people with complex health needs, like those eligible for Medicare and Medicaid in Dual Special Needs Plans (DSNPs).

Our industry-leading technology, data and analytics powered by Optum and supported by Optum’s national care delivery capabilities, combined with the scale, scope, depth and strength of our provider relationships, enable us to connect the pieces of the health care system so that it truly works better for everyone we serve.
Our Vision of Simpler, More Affordable and Higher-Quality Care Results in Growth

We are innovating to deliver unique value propositions to our customers and consumers which, in turn, are driving strong organic growth across the diverse markets we serve. While the competitive environment differs across our domestic commercial, Medicare, Medicaid and global businesses, as well as geographically, we are constantly adapting to meet our customers’ needs.

UnitedHealthcare is well positioned for continued growth in each of the segments we serve. As we look to the future, the value of diverse offerings is in our ability to meet people wherever they may be on their health care journeys. Regardless of whether a person gets their coverage through their employer, through a government program, or purchases it on their own, we can provide them with solutions to help them live healthier lives.
UnitedHealthcare Employer & Individual

UnitedHealthcare Employer & Individual offers a comprehensive array of consumer-oriented health benefit plans and services nationwide for large national employers, public sector employers, mid-sized employers, small businesses and individuals.

More than 26.5 million Americans rely on UnitedHealthcare Employer & Individual through its fully insured and self-funded medical plans. This includes more than 250,000 employer customers of all sizes, across all 50 states. In addition to our direct membership, we also serve 165,000 members through strategic alliance partnerships.

- **National Accounts** provides customized administrative, benefits and service solutions to more than 9.3 million people through large, multi-location employers and other benefits sponsors with more than 3,000 employees.

- **Public Sector** provides health benefits and services to 3.5 million people through municipalities, educational institutions and labor unions with more than 1,000 employees.

- **Key Accounts** provides health benefits and services to 9.1 million people through mid-sized and large employers with 100 to 3,000 employees, as well as larger employers with service needs confined to a single state.

- **Small Business** provides health benefits and services to 3.5 million people through local businesses employing two to 99 individuals.

- The **Individual Business** provides health benefits and related services to over 1 million people.

- UnitedHealthcare **Specialty Benefits and Individual Ancillary Businesses** provide coverage at a product level to more than 50 million people, including dental, vision, hearing, life, critical illness, financial protection and short-term disability.

- As the **individual ACA exchanges** have matured and stabilized, we are excited to offer exchange plans in seven new states in 2022 and now offer exchange plans in 18 states.

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**Fast Facts**

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Annual U.S. spending on employer and individual health benefits

>165M

People served in the U.S. for employer and individual health benefits

>26.5M

People served by UnitedHealthcare Employer & Individual

>250K

Employer customers of all sizes, in all 50 states

>50M

Americans served in dental, vision and financial protection coverage
UnitedHealthcare Employer & Individual

**Market characteristics and growth opportunities**

More than 165 million Americans purchase health insurance on their own or through their employers, with annual health care expenditures estimated at more than $1 trillion.

As health care costs rise, employers are pursuing more affordable coverage solutions, ranging from value-based care models and clinical care programs to enhanced well-being initiatives that improve health while also simplifying the consumer experience. We closely collaborate with employers and are committed to offering customers in the self-insured and fully insured markets comprehensive, affordable health coverage that meets their unique needs.

Together with Optum, we are reducing costs, delivering a better customer and consumer experience and directly supporting employers’ needs by integrating solutions including modern benefit design, behavioral health solutions, population health programs and care provider alignment. Health plan offerings are augmented with a range of voluntary benefits available to both employers and individuals that provide additional financial and health care benefits, such as dental, vision and financial protection coverage.

We’ve created integrated digital experiences that support care navigation, home health, telehealth and benefits education. These digital-first solutions improve the end-to-end experience, including how people find care and interact with their health care overall.

UnitedHealth Group is reinventing how and where care is delivered. A part of these efforts is being powered by the Optum Virtual Care platform, which enables telehealth capabilities and broad access to Optum’s physicians, community-based clinics, pharmacies and home health services in all 50 states. UnitedHealthcare’s new NavigateNOW health plan empowers employees to connect with a virtual-based Optum Care team that offers support from on-demand needs to ongoing care, whether virtual or in person. Care team support, including for urgent, primary and behavioral health care services, is provided 24/7 via message, chat, phone or video, using technology to modernize how health care is delivered and help reduce premiums by approximately 15% compared to traditional benefit plans.

As advances in technology continue, we expect digital health to play an expanding role in the consumer’s day-to-day life and how we can support consumers on their health journey.

**Making care more affordable for employers**

The high cost of health care is the number one issue facing our employer customers, but they have also been clear they want solutions that deliver both quality and affordability. We are innovating and expanding ways for employers to provide affordable coverage to employees and their families. Our value-based care relationships across Optum and provider partners are providing consumers with a customized experience, innovative benefit designs and clinical support that ensure access to high-quality care and reduced medical spend systemwide.
In addition, we are negotiating for better network rates, encouraging competition and fairness, and tackling excessive patient charges and waste. Our clinical policies, such as site of service optimization, help ensure members are getting care in line with evidence-based medicine and that care is delivered in the right setting, by the right provider. And we are tackling the issue of high pharmacy costs, one of the fastest growing areas in the system, by negotiating lower rates with manufacturers, moving to value-based agreements and sourcing drugs from lower-cost providers. Network programs such as Designated Diagnostic Provider are enabling us to contract with providers at the most competitive rates and create innovative new network designs that lead to better outcomes and costs. And our payment integrity programs are addressing the significant impact of fraud, waste and abuse by ensuring that payments to providers are accurate and members receive appropriate care.

We are also helping our members directly save on their out-of-pocket health care costs. Our Care Cash offering features a pre-funded debit card for members to use to pay out-of-pocket health care expenses with primary care providers and providers who meet benchmarks — based on national standards — for quality and cost-efficiency.
**UnitedHealthcare Medicare & Retirement** is dedicated to serving the growing health and well-being needs of seniors and other Medicare beneficiaries. Through a comprehensive and diversified array of products and services, we help over 13 million people manage their health.

This business offers products, services and programs designed to meet the needs of individuals, as well as their families, providers and communities. Our portfolio of products includes:

- **Medicare Advantage Plans.** UnitedHealthcare Medicare & Retirement serves 6.5 million people through a variety of Medicare Advantage plans and a full scope of value-added services and clinical programs. Our simple, affordable plans are supported by industry-leading customer service, delivering outstanding value to consumers and making UnitedHealthcare indispensable to the health, well-being and peace of mind of our members.

- **Medicare Part D Plans.** We also offer stand-alone Medicare prescription drug benefits, serving 3.7 million people throughout the U.S. and its territories. UnitedHealthcare Part D plans cover thousands of brand-name and generic prescription drugs that are most commonly used by people on Medicare, resulting in access, savings, stability and peace of mind for seniors.

- **Medicare Supplement.** Under a long-standing relationship with AARP, we serve 4.4 million people through various Medicare Supplement and other supplemental coverage for people age 50 and older.

- **Retiree Services.** UnitedHealthcare Retiree Solutions provides employers with high-quality, affordable health care solutions for 2.1 million retirees. Group plans include Medicare Advantage, Senior Supplement and Medicare Part D.
UnitedHealthcare Medicare & Retirement offers the most comprehensive portfolio of products in the industry. Including our DSNPs, we serve 7.4 million people in Medicare Advantage today, having grown by nearly 4 million people since 2015. With over 10,000 baby boomers aging into Medicare daily, the number of people enrolled in Medicare is projected to reach 70 million by 2025, up from 63 million today. Medicare spending is expected to approach $1.3 trillion by 2025, up from $920 billion in 2021. With highly competitive offerings available in nearly all geographies, we are well positioned as a market leader trusted by seniors.

Medicare Advantage continues to be a popular choice, serving approximately 44% of individuals eligible for Medicare today, up from 25% in 2010. Over the past five years, UnitedHealthcare Medicare Advantage enrollment has an average annual growth rate of 13%. As the Medicare Advantage value proposition continues to improve, we believe more seniors will choose these plans to meet their unique needs.

The diversity of our Medicare portfolio differentiates us in the market by supporting coverage and care needs across many populations. UnitedHealthcare continues to lead the Medicare Supplement market, serving more seniors through our AARP-branded plans than any other carrier offering similar plans.

As more commercial and public sector employer groups seek cost-effective, value-added solutions for their retirees, we are expanding group retiree offerings with coverage that supports stronger links between our active commercial and retiree businesses. In doing so, we are developing new relationships with employers, labor organizations, health care providers and nonprofit associations.

We see opportunities to continue being good stewards of the Medicare program for the federal government to foster more cost-effective, higher-quality and more efficient health care for all Medicare beneficiaries. Our distinct competencies in data analytics, care coordination, in-home care delivery, post-acute transitions and consumer-level health engagement should serve us well as we position our business to be seniors’ plan of choice and strive to be the government’s partner of choice.

All of those we serve are supported by our navigation and advocacy services. Navigators help people work through a health episode with heightened one-on-one clinical and service support during these times. And our advocates are deepening their specialization in specific communities and among specific populations, allowing for better localized support, referrals and connections to help individuals.

The integration of population health technology and data infrastructure with our navigational support programs reinforces member engagement and adherence to our personalized care pathways. For example, more than 75% of those engaged with our remote patient monitoring platform are using it to manage their health every single day. Over 4.5 million alerts have been generated this year, allowing clinicians to respond in real time and prevent adverse health events before they occur.
We are enabling people to receive care from high-performing and trusted care providers through a long history of engaging in value-based care. Nearly 80% of our Medicare Advantage membership is served by care providers who participate in some type of value-based arrangement. In addition, our partnership with Optum Care is an important part of our value-based care strategy delivering high-quality care to millions of our Medicare Advantage members.

We also partner with Optum when those we serve are most vulnerable, such as when they are transitioning out of the hospital. We surround people with the care and support they need to safely get back home and stay there. For our members at greatest risk and in need of more clinical support, our national palliative and high-risk care management programs provided by Optum deliver in-home care support to members with serious illness through a high-touch, home-based care model.

We continue to partner with other high-performing care providers through aligned value-based care programs that incentivize behaviors that will drive better outcomes and reduce the total cost of care. We provide technologies and tools that use artificial intelligence and machine learning to match patients with providers by identifying and recommending members to the highest-performing specialists or primary care physicians available to them — all with the goal of delivering higher-quality care at a lower cost.

Our in-home and community programs continue to evolve with expanding clinical and technology capabilities in our effort to personalize the health care experience for people we serve and support them at every point along the continuum. Members are supported at home with high-quality clinical care, testing for preventable chronic conditions and referrals to critical services such as behavioral health and social support.

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**Innovative next-generation care provider models**

UnitedHealthcare and care providers share a common goal to improve people’s health and make health care more accessible and affordable for everyone. We believe value-based care is essential to achieve these goals and we will continue to advance next-generation care provider models that pay for better outcomes and performance.

We continue to see higher-quality member outcomes through value-based, incentive relationships with providers compared to those who do not participate in incentive programs. For example, Medicare Advantage seniors in ACOs see their primary care providers nearly 70% more often for annual care visits.

UnitedHealthcare enables care providers to take on increasing levels of risk by providing actionable data, clinical analytics, cloud-based technology applications, care management education and tools, risk management support and infrastructure payments. We’re strengthening engagement with care providers by arming them with data and digital tools to help them make more informed decisions around patient care. Today, through our Point of Care Assist solution, more than 650,000 care providers have access to real-time insights on patient care benefits, directly integrated into their workflow, enabling them to connect members to high-quality, cost-effective care options and help identify opportunities to close care gaps.

Further, we are looking to materially expand our specialist incentives to promote increased ambulatory surgery alternatives where appropriate, as a complement to our emerging site of service approaches that help people get the right care, at the right time, in the most affordable care setting. Over the coming years, we will look to accelerate physician enablement under these incentive programs for both primary care providers and specialists.
The value of Medicare Advantage

Medicare Advantage delivers significantly lower out-of-pocket costs and provides more comprehensive and coordinated benefits and better health outcomes, while serving a more diverse, lower-income and clinically complex population compared to fee-for-service Medicare. Medicare Advantage costs the federal government less, and seniors who choose Medicare Advantage save 40% in out-of-pocket costs compared to fee-for-service Medicare. Overall, studies suggest that Medicare Advantage achieves as much as 12% savings to the health system when combining both members’ and government savings. In addition, Medicare Advantage offers a wide array of supplemental benefits not offered in fee-for-service Medicare. For example, nearly 90% of plans offer wellness, dental, vision or hearing coverage and nearly 70% of plans offer all four benefits.

Medicare Advantage has an established track record of delivering better health outcomes for people compared to those in fee-for-service Medicare, with a more than 40% lower rate of avoidable hospitalizations. Medicare Advantage beneficiaries with diabetes experience a more than 50% lower rate of any complications and a more than 70% lower rate of serious complications compared to those in fee-for-service. Foundational elements of Medicare Advantage, such as in-home clinical care through programs like HouseCalls, enable better outcomes while also addressing social determinants of health. As Medicare Advantage’s value continues to improve, it is critical we ensure the stability of this proven program on which 28 million people rely.
UnitedHealthcare Community & State

**Fast Facts**

>$850B
Projected U.S. Medicaid spending in 2025

~45%
U.S. Medicaid spend not currently in managed care

>10%
UnitedHealthcare Community & State revenue CAGR from 2016 to 2021

>100
Specific state programs served by UnitedHealthcare

>1.2M
People served by UnitedHealthcare in Dual Special Needs Plans

>3.5K
UnitedHealthcare care coordinators serving those in need at the local market level

UnitedHealthcare Community & State is dedicated to providing diversified health care benefit products and services that provide care for the economically disadvantaged, the medically underserved, and those without the benefit of employer-funded health care coverage. We are a mission-driven business that connects people and communities to high-quality care.

Our business participates in Medicaid programs in 31 states and the District of Columbia, serving more than 7.5 million people by facilitating care in all market segments with offerings specifically designed to serve each of them. The primary categories of eligibility and participation by UnitedHealthcare are:

- **Temporary Assistance to Needy Families (TANF).** Primarily provided to women, children and families with a high prevalence of chronic illnesses. Currently serving more than 4 million people across 25 states.

- **Children’s Health Insurance Program (CHIP).** Provided to children not covered by commercial insurance and in families with incomes too high to qualify for Medicaid. Currently serving nearly 225,000 children across 23 states.

- **Aged, Blind and Disabled (ABD).** Medical assistance programs for individuals who are age 65 or older, blind or disabled. Currently serving more than 375,000 people in 22 states.

- **Long-Term Services and Supports (LTSS).** Medicaid programs for the long-term care population, including home and community-based services to support living outside a nursing facility. Currently serving more than 270,000 people across 10 states.

- **Medicaid Expansion.** Participating in Medicaid expansion under the Affordable Care Act (ACA). Currently serving nearly 1.3 million people across 17 states.

- **Medicare and Medicaid Plans (MMP).** Provided for individuals who are enrolled in both Medicaid and Medicare. Currently serving more than 32,000 people in two states.

- **Dual Special Needs Plans (DSNP).** Services for individuals who often have multiple chronic conditions and limited incomes and are eligible for Medicare and Medicaid. Currently serving more than 1.2 million people in 37 states and the District of Columbia.

- **Individuals with Intellectual/Developmental Disabilities (I/DD).** Provided to individuals with limitations in intellectual functioning and adaptive behavior to cover many everyday social and practical skills. Currently serving 31,000 people across five states.

- **Administrative Services Only.** Currently serving more 180,000 people in one state.
UnitedHealthcare Community & State serves more than 7.5 million people who are eligible for Medicaid and DSNP across 31 states and the District of Columbia. Annual spending on Medicaid and related state health programs is projected to exceed $850 billion in 2025. Today, nearly 80% of the people served by Medicaid are in managed care programs, while approximately 55% of total Medicaid spend is currently in managed care, which offers strong growth potential in delivering better care and outcomes to those served by Medicaid.

Growth opportunities include an active Medicaid request for proposal (RFP) pipeline of reprocurements and new business — including the move of higher-acuity populations into managed care. This year, we have had a strong win rate on core Medicaid RFPs including in Hawaii, Minnesota, Nevada, Ohio, Oklahoma and Tennessee, with a healthy pipeline of active RFPs either in the submission or finalization phase. We continue to evaluate each program with the goal that our participation will result in delivering appropriate, high-quality care to the individuals we serve.

We also continue to see strong growth in our DSNP product offering. This product remains a significant opportunity with about 3.7 million of the 12.2 million people eligible for DSNP programs enrolled. We expect continued growth in our DSNP product as programs convert to managed care and baby boomers age into Medicare. With a nationwide footprint in both Medicaid and DSNP products, and strong operational capabilities, we can integrate care for dually eligible members — as states increasingly expect.

Individuals with complex conditions, like many people in DSNPs, benefit from our customized, high-touch consumer service models. This includes clinical programs that support the whole person by taking an integrated approach to care management based upon a comprehensive view of a person’s needs, ensuring any medical, behavioral, pharmacy, social and environmental support needs are addressed.

Optum helps UnitedHealthcare provide distinctive programs for the people we serve. For example, the HouseCalls program provides in-home clinical care to support people in managing their health, and also helps ensure they get other critical services such as behavioral health and social support. Capabilities such as Optum’s post-acute services add meaningful value in facilitating care coordination through artificial intelligence (AI)-enabled decision support tools that inform optimal post-acute site of care and provider selection and help support patients transitioning home from the acute care setting.

Other condition-specific programs provide home-based support for people with chronic conditions or those with serious illness and palliative care needs. These direct care delivery models improve outcomes through holistic, patient-centered care plans and by identifying and closing gaps in care through advanced analytics and personalized support.
Addressing social determinants of health

Research shows social conditions like education, employment, income, family and social support and community safety can drive as much as 80% of health. We also know 65% of health care spending is driven by 10% of the population — patients who are high users of the health care system and who often have multiple chronic conditions, take many different medications and have unmet social needs. Therefore, it is vital we take an integrated, comprehensive view of each individual’s needs — linking clinical and social support is central to our care model.

We have developed a variety of services that help address social determinants of health, such as providing healthy meals, transportation to doctor visits and even affordable housing. Because approximately one-third of members face social barriers that impact their health, we have implemented a series of programs that help identify and screen for social needs, refer them to appropriate social support resources and confirm the members actively received the services.

We recently launched UnitedHealthcare Catalyst, which is a data-driven, community-based model that convenes local governments and community-based organizations across sectors to positively impact health by focusing on the needs of public housing residents and other members of the community. It blends clinical data with input from community organizations and members to identify health challenges, then leverages a collaborative community approach to address them with specific interventions, actions and measured outcomes.

The impact of redeterminations

In 2020 and 2021, we have seen Medicaid enrollment increase as states have temporarily suspended redetermination efforts, allowing people to maintain coverage during the pandemic. We fully support expanded coverage through Medicaid and are working closely with our state partners to ensure people have continued coverage and are prepared to move into individual and family or other plan offerings when redetermination occurs. Looking ahead, as the public health emergency comes to an end at some point in the future, we would expect some membership declines as states resume redetermination efforts. The timing and duration of this impact will likely vary by state and it may take some time to fully work through that process.
UnitedHealthcare Global delivers medical and dental benefits to over 7.5 million people living, working and traveling in 150 countries worldwide. This business is uniquely positioned to address global health care challenges by combining distinctive enterprise capabilities with local market understanding. We’re working to create a global health care system that is better aligned, integrated and sustainable.

UnitedHealthcare Global serves multinational and local businesses, governments, insurers and re-insurers, and individuals and their families with the following offerings:

- Health insurance plans for local populations.
- Direct delivery of health care services through hospitals, clinics and physician practices.
- Benefit plans for multinational employers and individuals.
- Risk and assistance solutions.

Where UnitedHealthcare Global Operates

**Brazil.** Brazil has a universal health care system known as Sistema Único da Saúde (SUS), which is financed by the federal government and local municipalities. Approximately 23% of the population is enrolled in private insurance, which offers three segments: premium, mid-market and community. The premium segment has an open network with easy access to quality physicians and facilities. The mid-market segment provides product offerings similar to the premium segment but at a lower cost, while the community segment provides basic health care access at the lowest cost.

UnitedHealth Group Brazil offers high-quality health care services, health and well-being solutions, and insurance plans across the entire health care spectrum to local populations and health systems. Its entities have served people across Brazil for more than 35 years.

- **Health Benefits.** We provide a full spectrum of health benefits to 3.4 million people through a broad network of owned and affiliated clinics, hospitals and care providers. We also provide dental benefits to over 2.2 million people.

- **Medical Delivery.** We operate 31 hospitals focused on efficiency and high-acuity specialty care, and over 82 outpatient and ambulatory clinics to serve low-acuity patients at a lower cost of care.

- **Health Care Services.** We serve industry partners and internal constituents with data and analytics, population health management and health care operations.

**Chile, Colombia and Peru.** As a market leader in health benefits and care delivery across Chile, Colombia and Peru, Empresas Banmédica provides health benefits to approximately 2 million people and delivers quality care through 13 hospitals specializing in high-complexity and acute care and 124 clinics and outpatient centers.

**Portugal.** Lusíadas Saúde provides a complete range of clinical services through hospitals and outpatient centers, including the award-winning Hospital de Cascais that is operated through a public-private partnership with the Portuguese government.

**Global Solutions.** UnitedHealthcare Global Solutions serves globally mobile populations including expatriates, business travelers and individuals traveling for leisure. Access to care is provided in 150 countries through a broad network of prescreened health care providers, hospitals and clinics. Additionally, UnitedHealthcare Global Solutions protects the well-being of these people through a range of safety and security, destination intelligence and medical assistance services.
## UnitedHealthcare Global

### Market characteristics and growth opportunities

Globally, private health insurance market penetration remains in its early stages and represents a growth opportunity. In the markets where we operate, there is strong demand for access to private health care. This low market penetration (relative to the public system) provides us an opportunity to bring value to the consumers and customers in these markets.

Medical cost inflation continues to outpace GDP growth, which continues to drive adoption and penetration in order to help address this pressure. We are advancing affordability, which will enable us to grow in the private insurance and delivery segments.

### Global clinical care delivery capabilities

UnitedHealthcare Global operates 50 hospitals and more than 200 clinics and outpatient centers worldwide.

Clinical care delivery businesses include private hospitals, outpatient care, specialty systems of excellence, ambulance services and home health care. Operating aligned care delivery and insurance businesses enables us to manage care for better outcomes at lower costs. Viewing the health care system holistically allows for joint market planning, innovative product designs and acceleration of new reimbursement models.

In addition, our Global Solutions business provides end-to-end medical solutions for workforces in remote and challenging locations. This includes remote medical staffing and virtual health services.
Appendix
**Forward-Looking Statements**

The statements, estimates, projections, guidance or outlook contained in this document include “forward-looking” statements which are intended to take advantage of the “safe harbor” provisions of the federal securities law. The words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “forecast,” “outlook,” “plan,” “project,” “should” and similar expressions identify forward-looking statements. These statements may contain information about financial prospects, economic conditions and trends and involve risks and uncertainties. Actual results could differ materially from those that management expects, depending on the outcome of certain factors including: risks associated with public health crises, large-scale medical emergencies and pandemics, such as the COVID-19 pandemic; our ability to effectively estimate, price for and manage medical costs; new or changes in existing health care laws or regulations, or their enforcement or application; the DOJ’s legal action relating to the risk adjustment submission matter; our ability to maintain and achieve improvement in quality scores impacting revenue; reductions in revenue or delays to cash flows received under government programs; changes in Medicare, the CMS star ratings program or the application of risk adjustment data validation audits; failure to maintain effective and efficient information systems or if our technology products do not operate as intended; cyberattacks, other privacy/data security incidents, or our failure to comply with related regulations; risks and uncertainties associated with the pharmacy benefits management industry; competitive pressures; changes in or challenges to our public sector contract awards; our ability to contract on competitive terms with physicians, hospitals and other service providers; failure to attract, develop, retain, and manage the succession of key employees and executives; the impact of potential changes in tax laws and regulations (including any increase in the U.S. income tax rate applicable to corporations); failure to achieve targeted operating cost productivity improvements; increases in costs and other liabilities associated with litigation, government investigations, audits or reviews; failure to manage successfully our strategic alliances or complete or receive anticipated benefits of strategic transactions; fluctuations in foreign currency exchange rates; downgrades in our credit ratings; our investment portfolio performance; impairment of our goodwill and intangible assets; and our ability to obtain sufficient funds from our regulated subsidiaries or from external financings to fund our obligations, maintain our debt to total capital ratio at targeted levels, maintain our quarterly dividend payment cycle, or continue repurchasing shares of our common stock. This above list is not exhaustive. We discuss these matters, and certain risks that may affect our business operations, financial condition and results of operations more fully in our filings with the SEC, including our reports on Forms 10-K, 10-Q and 8-K. By their nature, forward-looking statements are not guarantees of future performance or results and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Actual results may vary materially from expectations expressed or implied in this document or any of our prior communications. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We do not undertake to update or revise any forward-looking statements, except as required by law.

**Non-GAAP Financial Information**

Our Investor Conference materials and the related presentations contain non-GAAP financial information provided as a complement to the results provided in accordance with accounting principles generally accepted in the United States of America (“GAAP”). A reconciliation of the non-GAAP financial information to the most directly comparable GAAP financial measure is available in the “Investor Relations” section of our website at www.unitedhealthgroup.com.
For further information about the financial performance of UnitedHealth Group, contact Brett Manderfeld, senior vice president, 952-936-7216.