



2018 Annual Review

UNITEDHEALTH GROUP®



Our Mission: Helping people live healthier lives and helping make the health system work better for everyone.

Our Culture

The people of UnitedHealth Group are aligned around core values that inspire our behavior as individuals and as an organization:

Integrity.

Honor commitments.
Never compromise ethics.

Compassion.

Walk in the shoes of people we serve and those with whom we work.

Relationships.

Build trust through collaboration.

Innovation.

Invent the future and learn from the past.

Performance.

Demonstrate excellence in everything we do.



UnitedHealth Group — A Mission-Driven Enterprise

Measuring success by our positive impact on society

Helping people live healthier lives and helping make the health system work better for everyone — this single mission is the driving force behind everything we do. UnitedHealth Group, Optum and UnitedHealthcare are driven by a unified mission and vision to achieve the Triple Aim of health care: improving health outcomes, costs and experiences. We put the needs of others first, one person at a time. In turn, we grow and earn the opportunity to serve more people in more ways, delivering exceptional returns for society and for our shareholders.

This Annual Review summarizes our strong 2018 performance and our ambitions for 2019 and the decade ahead. It also includes a look at some of the new thinking, new technologies and new products we are introducing to better integrate clinical information and service; to improve engagement with physicians, patients and consumers; and to become increasingly effective in advancing health system performance on behalf of all the people we serve.

We know we have more to do to reach the full potential of this enterprise. We remain dedicated to continuing to build a responsible global business capable of serving the health care needs of hundreds of millions of individuals and society, effectively and sustainably, while generating reliable growth and strong returns for our shareholders.

Thank you for your interest in UnitedHealth Group and your continuing support.



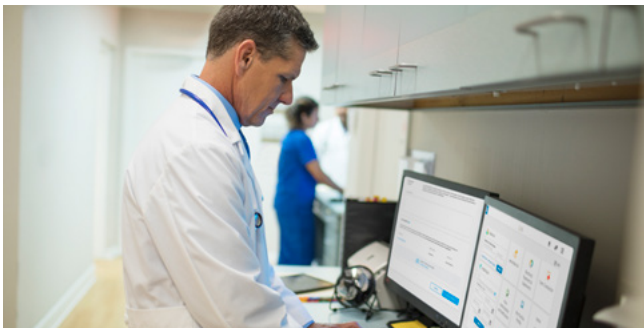
An Innovative Approach to Addressing the Greatest Challenges in Health Care

Our nation is early in an exciting health care innovation wave — one we expect to help lead, which will drive growth at UnitedHealth Group for years to come. We are at the forefront of health care in harnessing the power of emerging technologies, like artificial intelligence, machine learning and natural language processing. These technologies are helping us better assist high-risk patients and those with multiple chronic diseases, partner with care providers in moving to value-based care, and integrate the health care system around a patient-centric model. And we combine our expertise in information, data analytics and technology with decades of clinical insights in the actual delivery of health care.

Through our research, development and continuous improvement efforts, we are identifying new ways to address persistent and evolving challenges facing the health care system. These challenges include high and growing costs, uneven and tightening access to care, low engagement among many individuals in managing their health, variation in quality and in the use of lower cost sites of service for delivering care, and the pervasive complexity in the health system.

In 2018, UnitedHealth Group continued its long-standing commitment to innovation, focusing on the following characteristics:

Flowing critical health information to all health care participants by linking physical interactions to digital channels, supported by embedded, proprietary, clinical ontology and sophisticated data analytics designed to align and optimize performance.



Our work to create and deploy Individual Health Records (IHR) is a good example. Our goal with the IHR is to provide doctors and patients with a deeply personalized, 360 degree view of a person's health.

We will provide each individual and their doctor or caregiver with a fully integrated, fully portable, real time, dynamic medical record, powered by a proprietary medical ontology and best-known science, not dependent on any one system or network. Importantly, the IHR not only shows doctors and patients where they have been and where they are, but can suggest the path forward in their journey to better health.

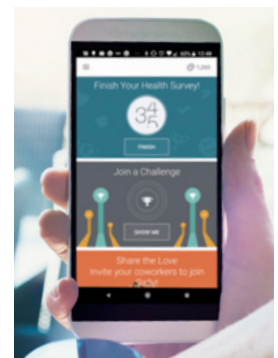
We plan to offer IHRs at no cost to all of the people we serve with comprehensive benefits coverage in North and South America, because the technology will be key to improving health outcomes, lowering costs and improving the patient experience.

Engaging people in their health care both individually and at scale — a difficult but essential step in improving people's health and finances.



One way we are supporting our consumer engagement efforts is with the Rally consumer digital platform. Rally provides personalized online tools and solutions to help people improve and maintain their health. It encourages simple changes in everyday routines, helping users achieve goals and track their progress while they earn valuable incentive dollars.

Nearly 2.5 million people use Rally each week. Rally users have set millions of health-related goals and routinely access programs for losing weight, reducing stress, staying on top of preventive care, quitting smoking and much more. People who have used Rally digital health and well-being tools have earned more than \$1 billion in health-related incentive rewards since 2016 by making choices that lead to better health.



Applying high-touch human interactions, singly and at high volumes, to improve the consumer experience and drive better medical care outcomes.



As an example, UnitedHealthcare is stepping up support for patients facing one of the most complex situations — care transition. Nurses are embedded with customer service representatives, giving seniors in Medicare Advantage plans a single point of contact for their entire episode of care. These “navigators” are helping patients as they battle cancer, end-stage renal disease, diabetes and many other conditions.

Navigators can ensure physical therapy and needed medical equipment are in place before a senior is sent home from the hospital. They also secure transportation to doctor appointments and review coverage and expected costs with people before an upcoming medical procedure. This high-touch service is creating deeply personal and caring relationships with the people we serve and driving extremely high consumer satisfaction, as measured by the Net Promoter System, which assesses customer loyalty. Navigators have helped over 200,000 individuals with complex needs in 2018, and we expect to double participation in 2019.

Evolving pharmacy care services by advancing market-leading transparency, improved adherence and clinical effectiveness, combined with distinguished consumer value.



OptumRx, our pharmacy care services business, is advancing innovative approaches to transform pharmacy services to treat the whole person in a more consumer-friendly manner. These advances include e-commerce, convenient local market dispensing and same day delivery services, along with high-quality, high-value specialty pharma, including home- and office-based infusion services. In 2018, OptumRx also added retail dispensary and telepsych capabilities to better serve the needs of the Medicaid population with behavioral health conditions.

Effective Jan. 1, 2019, we launched the nation’s first-ever scaled application of pharmacy discounts at the point of sale to improve the value consumers receive, particularly those with at least one chronic disease.

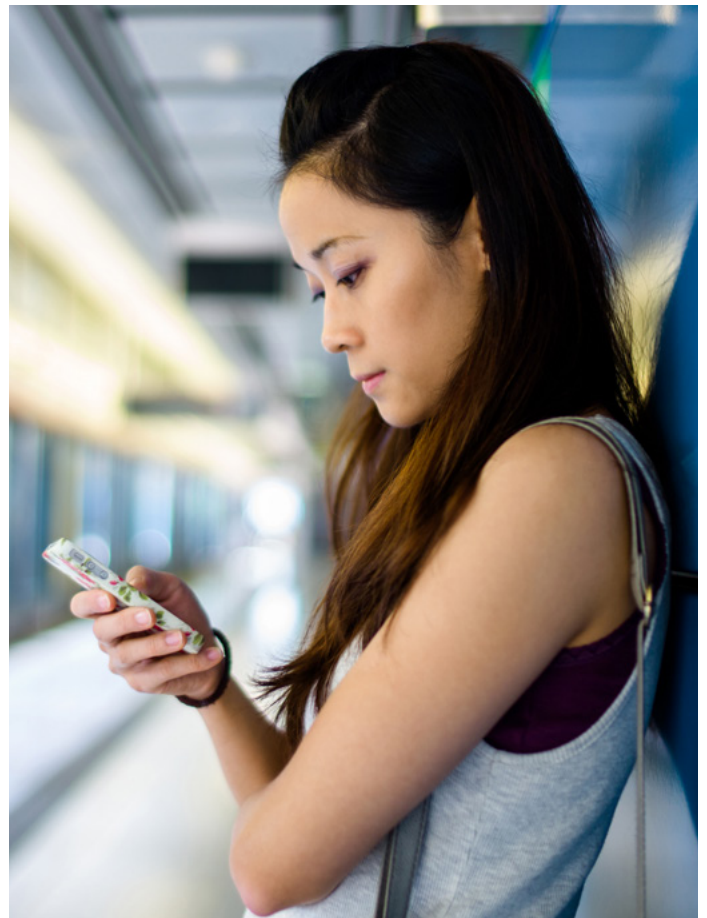
We are also working within efforts by the U.S. Department of Health & Human Services, the Centers for Medicare & Medicaid Services and the U.S. Food & Drug Administration to modernize pharmacy practices. We are collaborating to develop new ways to serve Medicare Part B patients, optimize site of service choices, and create new drug formulary initiatives to bring better health care to more consumers. And we are engaged with pharmaceutical manufacturers to find innovative ways to bundle high cost drug products and share health care risks related to drug treatments to help control the growing costs of care.

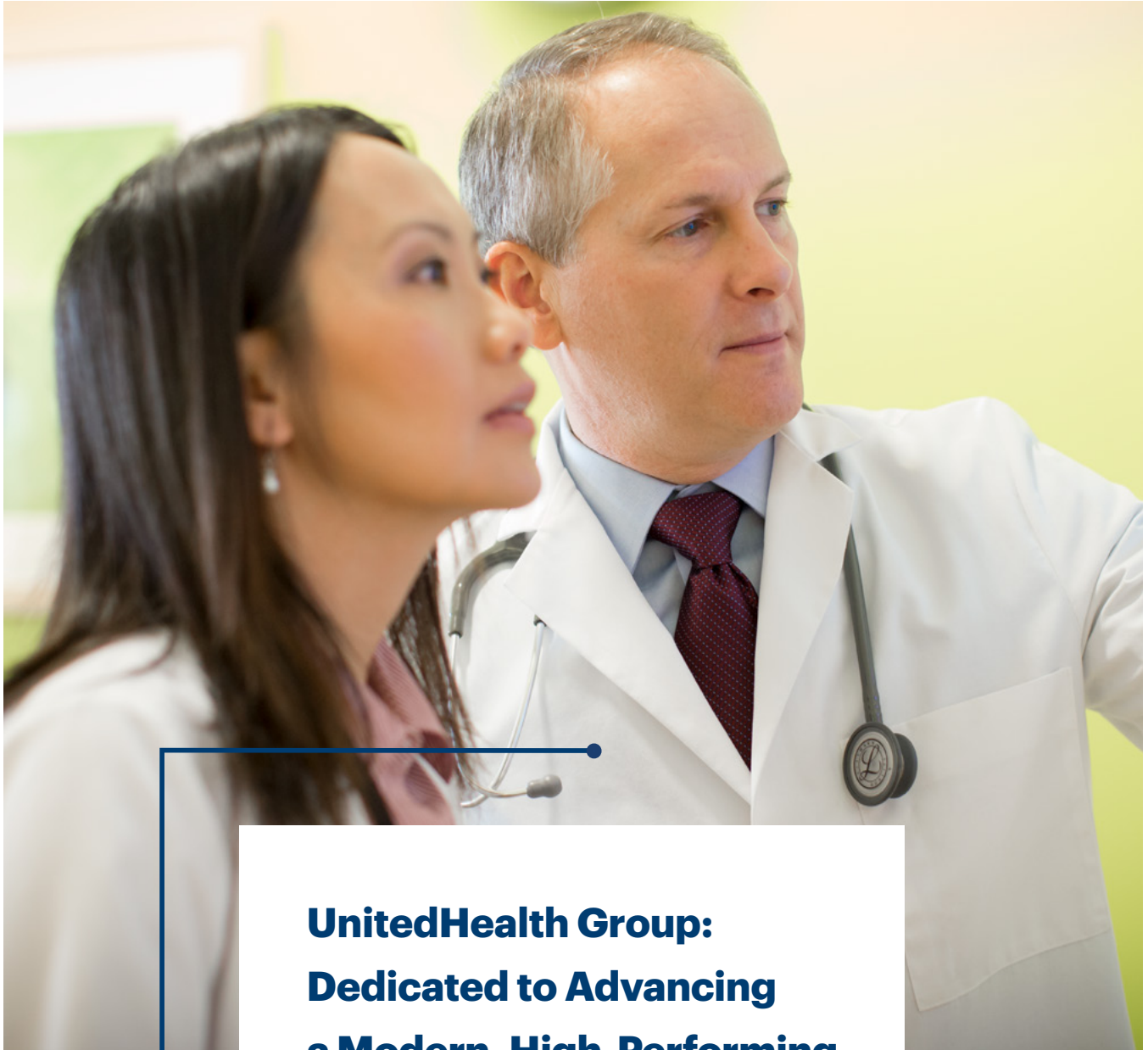
Introducing innovative, lower cost, consumer-centric health benefit designs and services.

Our most advanced benefit plan designs are organized around rewarding the use of high-performing care providers. UnitedHealthcare is continuing to evolve our relationships with care providers from a transactional and volume-based orientation to strategic cooperation, focused on higher-quality, higher-value health outcomes. This progress is demonstrated by over 1,000 UnitedHealthcare Accountable Care Organizations (ACOs), delivering meaningful results and better health to more than 16 million of the people we serve. Our top-performing ACOs have reduced acute hospital admissions per 1,000 by 17 percent, reduced emergency visits per 1,000 by 14 percent, and increased cancer screenings by 8 percent. ACOs serving our employer-sponsored plan participants perform better than non-ACOs on nearly 90 percent of the quality metrics tracked, while reducing costs by up to 12 percent. Looking ahead, the opportunity is significant — we aim to reduce medical and operating costs by billions of dollars over the next few years.

Combining this focus on value-based care with local health care innovation results in consumer-centric benefit designs like the newly launched Colorado Doctors Plan, formed in collaboration with Centura Health, one of our ACO partners. Built with the consumer experience in mind, we are combining our data and insights with Centura Health's medical network to deliver a more personalized experience through proactive outreach tools that help consumers find the right level of care in real time. Making it easier for consumers to access the care they need, delivered by high-performing care providers, leads to an improved care experience and lower total cost of care.

These and other innovations are making health care work as a true system — informed, engaged and aligned. This modern approach produces measurable value, and looks and feels refreshingly different than traditional health care. We continue to allocate capital in a balanced fashion to further advance this distinctive approach.





**UnitedHealth Group:
Dedicated to Advancing
a Modern, High-Performing,
Simpler Health Care System**

Driven by our mission, the 300,000 women and men of UnitedHealth Group, Optum and UnitedHealthcare measure our performance first and foremost by the impact we have on society — the way we deliver improved outcomes, lower costs and a better health care experience for individuals and their care providers.



Revenue exceeded

\$226B

12% Growth

2018 Performance Highlights

24.4%

Return on Equity

Full-year return on equity was strong at 24.4 percent

\$15.7B

Operating Cash Flows

Operating cash flows were \$15.7 billion, growing 16 percent over 2017

\$17.3B

Earnings from Operations

Earnings from operations grew \$2.1 billion or 14 percent year over year to \$17.3 billion

The enterprise is comprised of two complementary business platforms: UnitedHealthcare for health benefits and Optum for health services. These two businesses share three enduring competencies:

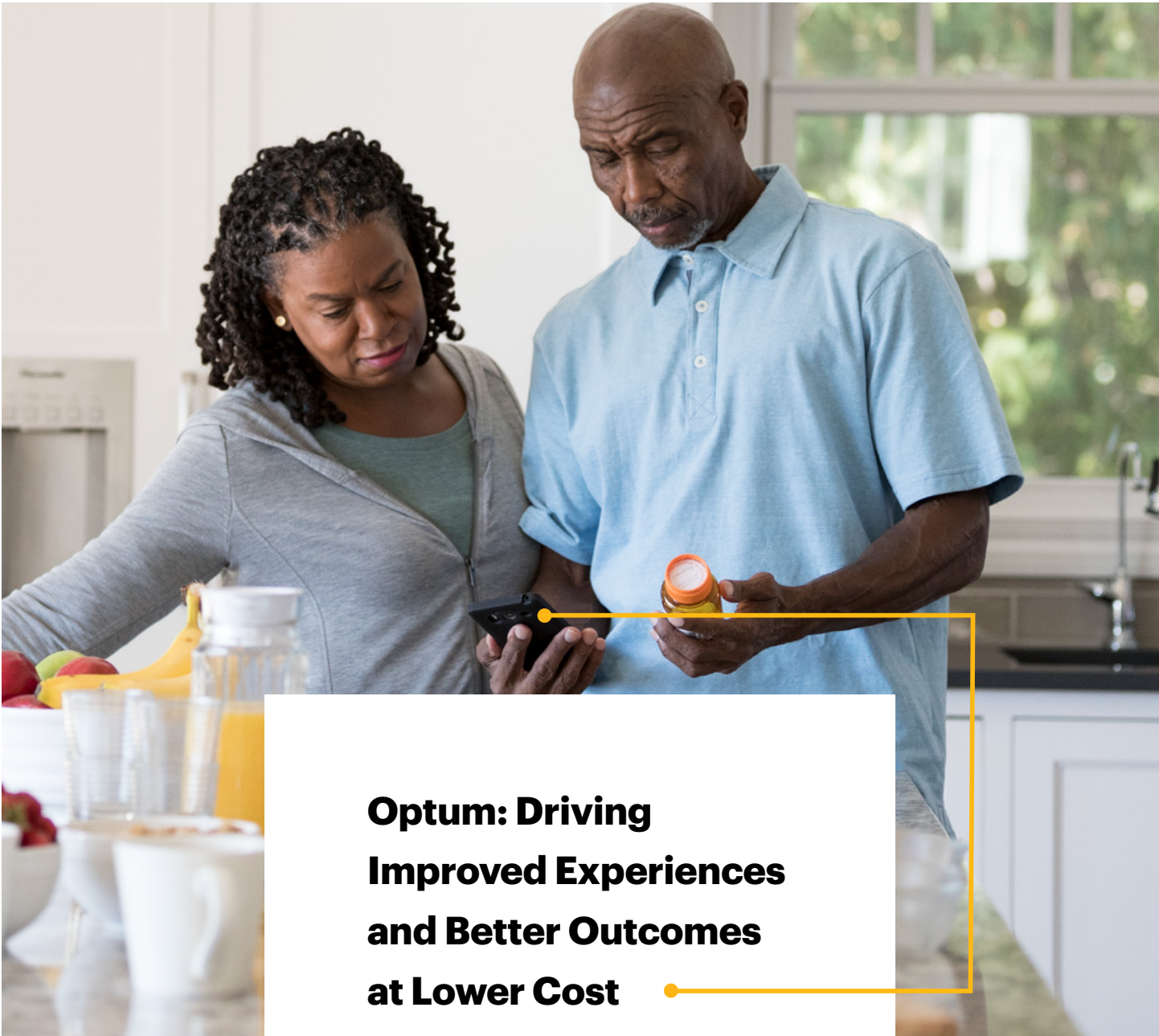
Data and information — to inform and guide health decision-making and health system performance;

Advanced technology — to enable improved health outcomes and innovation in health care; and

Clinical insights — to organize and augment systems of care to deliver better clinical outcomes at lower costs to individuals and to the health care system as a whole.

Our goal is to support the Triple Aim — improved outcomes, lower costs and a better health care experience for the people we are privileged to serve. Through effectively addressing the health care needs of individuals, care providers and our customers broadly, we build loyalty, gain greater traction for our products and services in the marketplace, and deliver growth and a fair and sustainable return for society and our shareholders.

- **Through our businesses, UnitedHealthcare and Optum, we served 141 million unique individuals as of Dec. 31, 2018.**
- **We provide medical benefits and services to people residing in all 50 states in the United States and more than 130 other countries.**
- **300,000 people worldwide power this enterprise with their entrepreneurial spirit and commitment to quality. Our workforce includes 85,000 clinical professionals and more than 21,000 technology professionals.**
- **We invest approximately \$3.5 billion annually in technology and innovation.**
- **We process approximately 1.1 trillion digital transactions annually.**



**Optum: Driving
Improved Experiences
and Better Outcomes
at Lower Cost**

The people of Optum are working relentlessly to help reduce the total cost of care while improving health care quality, outcomes and experiences for the 126 million individuals they serve.

A unique combination of data, leading analytics and decades of clinical expertise powers Optum’s health care intelligence. This intelligence is OptumIQ, and it is infused into all Optum products and services, providing the most comprehensive view of the consumer, care provider and payer experience.

OptumIQ = Health Care Intelligence

- > Clinical **expertise**
- > Leading **analytics**
- > **240M** de-identified lives of clinical, claims and benefit information

Optum is comprised of three primary business segments:

OptumHealth

OptumHealth engages people in their health and well-being; helps manage chronic, complex and behavioral health needs; and delivers care through OptumCare's community medical groups and ambulatory care systems, helping people get the right care at the right time at the appropriate site of care.

- OptumCare provides quality care directly to over 14 million patients through more than 36,000 physicians and 900 primary, urgent and surgery care centers.
- OptumHealth completed 1.5 million in-home health assessments for seniors through the HouseCalls program in 2018 and closed more than 2.2 million gaps in care.
- People who use Optum's Rally digital health and well-being tools have earned more than \$1 billion in health-related incentive rewards since 2016.

OptumInsight

OptumInsight provides analytics, research, consulting, technology and managed services solutions to hospitals, physicians, health plans, government agencies, life sciences companies and other industry participants. OptumInsight

leverages a broad foundation of data and analytics to help clients reduce administrative costs, meet compliance mandates, improve clinical performance and transform operations to succeed under value-based care and new payment models.

- OptumInsight serves three out of four U.S. payers, helping them improve experiences and health outcomes for the populations they sponsor.
- Optum360 is simplifying the administration and revenue process for four out of five U.S. hospitals, and manages \$65 billion in annual billings for those who use the full suite of Optum360 services.

OptumRx

OptumRx delivers value through a full spectrum of pharmacy care services that improve health outcomes and reduce the total cost of care. OptumRx programs are deeply rooted in evidence-based clinical guidelines and delivered with industry-leading technology and innovation. Health plans, employers, government agencies, unions and trusts rely on OptumRx for their pharmacy care needs.

- OptumRx provides pharmacy care services to 65 million people nationwide.
- OptumRx processed over 1.3 billion adjusted retail, mail and specialty drug prescriptions in 2018.



**UnitedHealthcare:
Connecting the World
to Better Health
One Person at a Time**

UnitedHealthcare serves nearly 50 million individuals globally, delivering valuable health benefits and services to people in all stages of life, at all income levels, through all major health benefits segments. Our focus on people's health and care is helping us deliver a patient-centric, higher-quality and differentiated health care experience for people, characterized by simplicity, compassion and collaboration across the health system — all at a lower total cost of care.



Serving nearly
8.2 MILLION
more people
through organic growth
since **2010**

Through UnitedHealthcare's long-standing partnership with Optum, the company harnesses claims, demographic and clinical data to help better understand what consumers and customers want and need, and help support them in improving health care decision-making. Data analytics and leading technology are critical ingredients in the delivery of distinct value to everyone UnitedHealthcare serves.

UnitedHealthcare is comprised of four business segments:

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. Nearly 27 million Americans rely on UnitedHealthcare Employer & Individual through its fully insured and self-funded medical plans.

UnitedHealthcare Medicare & Retirement

UnitedHealthcare Medicare & Retirement is dedicated to serving the growing health and well-being needs of individuals over the age of 50. Through a comprehensive and diversified array of products and services, UnitedHealthcare Medicare & Retirement helps 12.5 million people — one in five U.S. seniors — manage their health. This business offers products, services and programs designed to meet the individual needs of members, as well as their families, physicians and communities.

UnitedHealthcare Community & State

UnitedHealthcare Community & State is dedicated to providing diversified health care benefit products and services to state programs that care for the economically disadvantaged, the medically underserved and those without the benefit of employer-funded health care coverage. This business participates in full-risk programs in 30 states and the District of Columbia, serving 6.5 million people by facilitating care in all market segments with offerings specifically designed to serve each of them.

UnitedHealthcare Global

UnitedHealthcare Global serves 6.2 million people with medical benefits and 2.2 million with dental benefits around the world, and provides medical delivery in its 55 hospitals and 275 clinics and outpatient centers. UnitedHealthcare Global offers health and well-being solutions for people who live, work or travel outside their home country, using a broad network of health care providers in more than 130 countries. This business is uniquely positioned to address global health care challenges and create value by combining distinctive enterprise capabilities with local market understanding. UnitedHealthcare Global is working to create health care systems that are more connected, more aligned and more affordable.

Commitment to Excellence

UnitedHealth Group, Optum and UnitedHealthcare are committed to strong fundamental execution on behalf of the people and customers we serve, innovation, community involvement and value creation for both the health care system and our shareholders. We are honored to be acknowledged for our performance by the following awards and recognition.

UnitedHealth Group is the top ranking company in the insurance and managed care sector on **Fortune's 2019 World's Most Admired Companies** list. This is the ninth straight year UnitedHealth Group ranked No. 1 overall in its sector.

UnitedHealth Group is a member of the **Dow Jones Industrial Average**, a blue chip group of 30 companies deemed industry leaders.

In 2018, for the seventh consecutive year, **The Civic 50**, a Points of Light initiative that highlights companies that improve the quality of life in the communities where they do business, ranked UnitedHealth Group one of America's 50 most community-minded companies.

UnitedHealth Group has been listed in the **Dow Jones Sustainability World Index** and **Dow Jones North America Index** annually since 1999.

UnitedHealth Group was named one of **America's Most JUST Companies** by JUST Capital and Forbes in 2018. The JUST 100 rankings measure how U.S. companies perform on issues Americans care about most, including worker pay and treatment, customer respect, product quality and environmental impact.

In 2018, for the eighth consecutive year, the National Business Group on Health honored UnitedHealth Group with a **Best Employers for Healthy Lifestyles** top-tier Platinum award.

UnitedHealth Group was named a 2019 **Military Friendly Employer** by Victory, a veteran-owned business that connects the military community to civilian opportunity.

In 2018, for the fourth consecutive year, Optum ranked No. 1 on the **Healthcare Informatics (HCI) 100**, a listing of the top health care IT companies based on U.S. revenues.

Global analyst and consulting group Frost & Sullivan awarded Optum their **Company of the Year** award in 2018 for Population Health Management in North America.

Optum360, a leading provider of health care revenue management services, was named No. 1 in the 2018 **Black Book Rankings** for revenue cycle management software, outsourcing and computer-assisted coding services.

UnitedHealthcare was recognized by the **2018 BIG Awards for Business** in the New Product of the Year category for PreCheck MyScript and the Healthy Pregnancy app. The BIG (Business Intelligence Group) Awards celebrate industry-leading companies, products and people for outstanding innovation.

In 2018, for the second consecutive year, Valor Econômico, a leading business newspaper in Brazil, ranked Amil first in the Health Insurers category in the **Valor Brazilian Innovation Rankings**. The rankings are compiled in partnership with Strategy&, a PwC group.

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