



2017

Annual Review

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



Contents

- 02 UnitedHealth Group
- 04 UnitedHealthcare
- 08 Optum
- 12 Commitment to Excellence

Our Mission

Our mission is to help people live healthier lives and to help make the health system work better for everyone.

Our Values

Integrity: We will honor commitments. We will never compromise ethics. We will speak the truth and deliver on our promises.

Compassion: We will walk in the shoes of people we serve and those with whom we work. We celebrate our role serving society in an area so vitally human as health care.

Relationships: We will approach all people with respect, humility, confidence and a spirit of collaboration to build trust and deeper relationships.

Innovation: We will learn from experiences of the past and use those insights to invent a better health care future, encouraging and investing in new ideas.

Performance: We are committed to excellence in everything we do, consistently delivering high-quality and superior results that make a positive difference.

On the cover: Our HouseCalls program enables many seniors to receive an annual health check-up in the comfort of their own home at no cost. These visits often identify care opportunities, such as overdue immunizations or needed cancer screenings. We seek to close these gaps in care so seniors can live their lives to the fullest.

Welcome to Our Annual Review

At UnitedHealth Group, we work every day to achieve our full potential to help improve the health of those we serve and health systems serving society. The business result is consistent, sustainable growth.

UnitedHealth Group, Optum and UnitedHealthcare have remarkable potential to help improve health care and the lives of people around the globe — a humbling responsibility and social pursuit. The 285,000 people of this enterprise are dedicated to this task. We are intently focused on serving individuals, *one person at a time*, working closely with clients, customers and health systems to increase the quality of health care and improve the affordability and experience of care. This approach is building trust and loyalty among the consumers and customers we serve which, in turn, drives consistent, sustainable, market-leading growth.

This review summarizes our solid performance in 2017 and our plans for 2018 and beyond. We fully appreciate that our shareholders' investments enable us to serve more people in more and better ways each year. UnitedHealth Group remains committed to long-term earnings growth and distinctive total shareholder returns.

Our future success will be powered by the hard, intelligent and caring work of our people to achieve our mission and the opportunity to serve offered by the growing and challenging global health care markets. Thank you for your interest in our company.

We are intently focused on improving the quality of health care and making it more accessible and affordable for more people.

Advancing Health Care Quality

We are a mission-driven enterprise motivated to serve the emerging health care needs of more people in more ways. In 2017 we delivered distinguished growth performance.

UnitedHealth Group is a highly diversified, innovative and adaptable health care enterprise, dedicated to helping create a more modern, high-performing, simpler health care system. We are privileged to serve approximately 140 million individuals, providing medical benefits to people residing in all 50 states in the United States and more than 130 other countries. Our 285,000 employees, including tens of thousands of

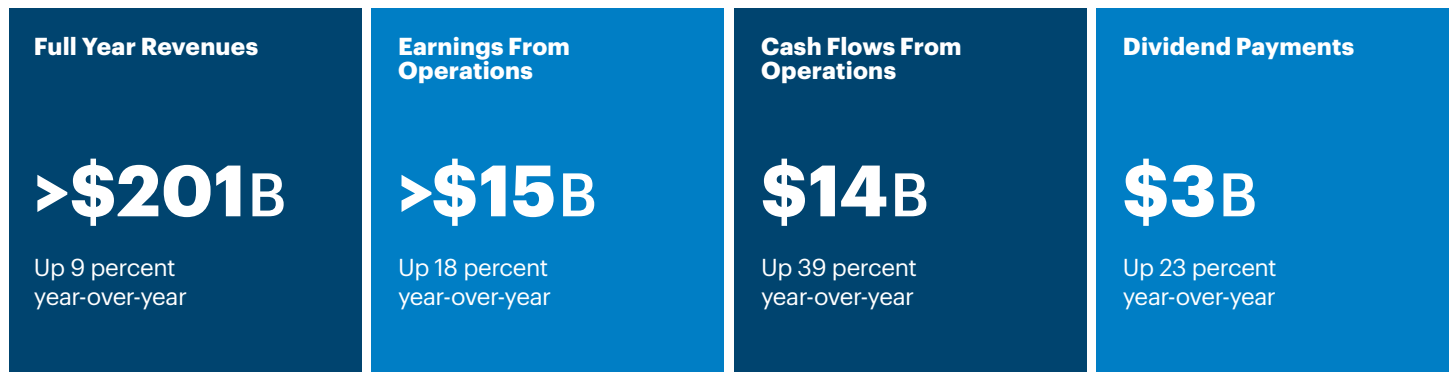
physicians, advance practice clinicians, nurses and other health care workers on staff globally, work continuously to improve quality and outcomes with compassionate service.

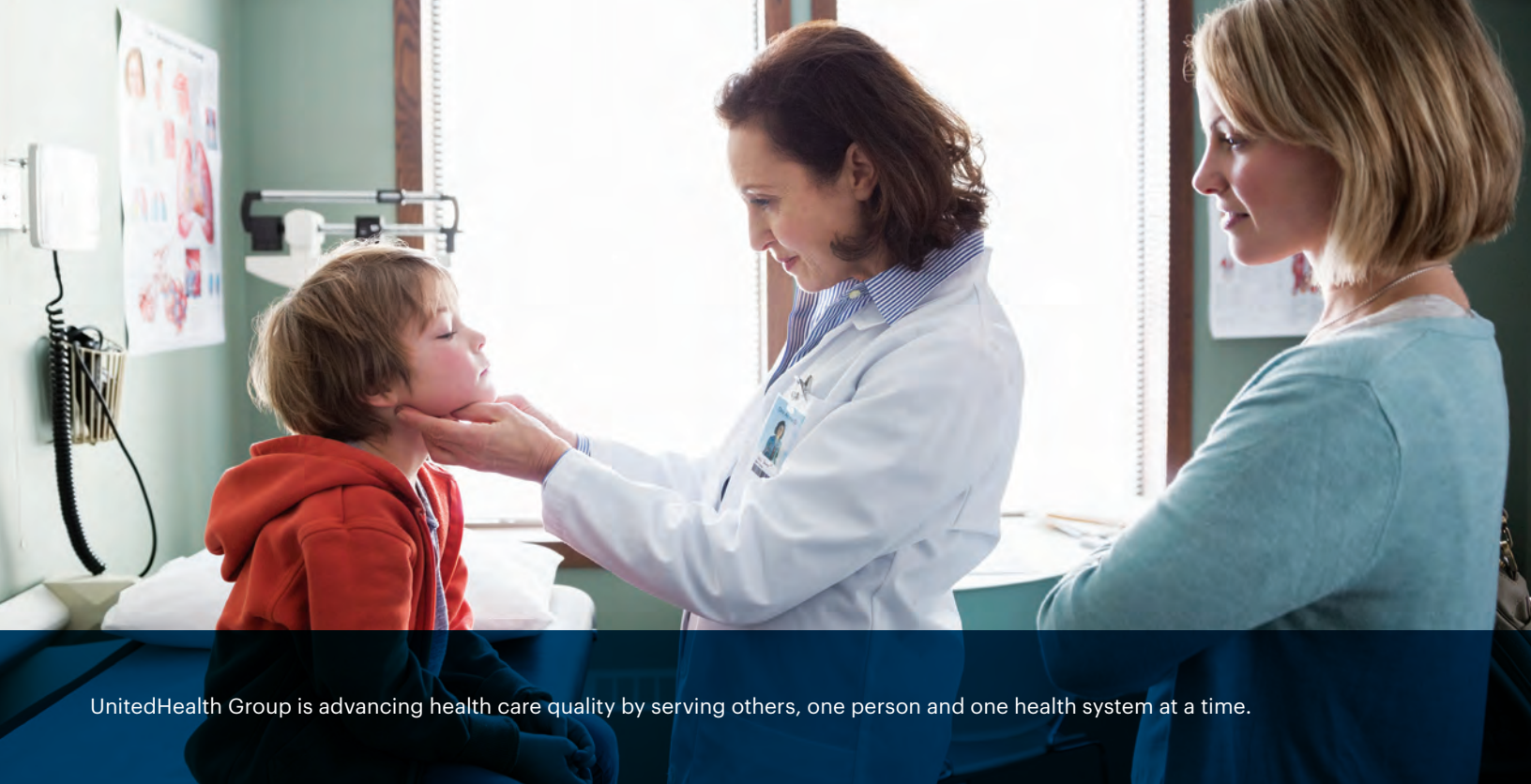
Delivering higher quality in health care and a better consumer experience is helping advance greater value and trust among our customers and the people we serve. The result is distinctive growth.

At its core, UnitedHealth Group is shaped by its people and their commitment to a culture, based on integrity, compassion, innovation, relationships and performance. Motivated by a dedication to creating greater value in health care, they deploy and repurpose the core competencies shared across our business platforms, UnitedHealthcare and Optum:

- **Data and health information** – to inform and guide;
- **Advanced technology** – to enable; and
- **Clinical expertise** – to deliver care at higher quality, with greater consistency, at lower costs.

2017 Performance Highlights





UnitedHealth Group is advancing health care quality by serving others, one person and one health system at a time.

UnitedHealthcare is a leader in health coverage and benefits, and Optum is the leader for health services, broadly. These two businesses are purposefully complementary and positioned to work together as an integrated and strategically aligned operating portfolio, as well as to be fully free-standing, market-facing businesses. Together, they leverage our core competencies to apply actionable insights to some of the most complex challenges facing health care.

We use Net Promoter Score (NPS) to measure the quality of our products and services. NPS is based on the answer to a single question, “How likely are you to recommend our company to a friend or family member?” Our NPS rose sharply in 2017 and we expect this momentum to continue through 2018 and beyond. Our commitment to NPS is about more than just numbers. We are changing our culture to be much more consumer-centric, listening more intently than ever to our customers, taking actions based on what we learn and monitoring our improvements over time.

As we continue to improve quality and service, we build increasing trust and loyalty among the people and customers we serve. In turn, we continue to grow.

Our enterprise is focused on five growth areas where we believe we have the opportunity to improve health care and better serve the needs of individuals and the system overall. These are:

Health Care Delivery: We have a growing presence in the direct delivery of care, where our goals are better quality, lower cost and higher consumer value and satisfaction, informed by appropriate site of service for care.

Pharmacy Care Services: Pharmacy transactions are the most common point of contact between health care consumers and the system. We use the pharmacy interaction to engage consumers with our whole-person care model, to encourage smart decisions and healthy behaviors.

Consumer-Centric Benefits:

Consumers expect a simple, personalized, dependable care experience. Our affordable product designs use incentives to reward healthy behaviors and lifestyles, guiding people along a more engaged and healthier path.

Digital Health Care: Innovation, new product development and fresh approaches are critical to improving simplicity, connectivity, service and accuracy, so we continue to grow our digital offerings and technology solutions for consumers and care providers.

Global Opportunity: Our global businesses had strong, positive 2017 performance and are carrying that momentum into 2018. The closing of the Banmédica acquisition in the first quarter 2018 adds a major provider of health care services and health benefits in Chile, Colombia and Peru.

These five areas of strategic focus underpin our strategy as we look to evolve forward with our customers and markets toward fulfilling existing and emergent needs in 2025.



At UnitedHealthcare, we serve people with health benefits through every stage of their lives, from childhood and youth through working life and into retirement. We are a company with a vital social role. Effective, sustainable health insurance underpins our nation's ability to deliver effective, sustainable health care.

UnitedHealthcare is dedicated to supporting better health and creating a better consumer experience, all while making health care more affordable. This involves putting the individual at the center of how we operate and equipping the people we serve to be actively engaged health care consumers. We also work with care providers, collaborating to establish new ground rules based on improving patient care through value-based payment initiatives and incentives.

Creating a Better Health Care Experience

We are dedicated to supporting better health and more affordable care.

Since 2010, UnitedHealthcare has produced one of the strongest periods of growth for any company in health care, growing organically in the U.S. by more than 11 million people. Today, we serve nearly 50 million medical members, primarily in the U.S. and Brazil. UnitedHealthcare is comprised of four operating segments:

UnitedHealthcare Employer & Individual provides health benefits for over 27 million Americans through fully insured and self-funded medical plans. We offer consumer-oriented benefit plans and services nationwide for large national employers, public sector employers, mid-sized employers, small businesses and individuals.

UnitedHealthcare Medicare & Retirement is dedicated to serving the growing health and well-being needs of individuals over the age of 50. We help more than 12 million seniors manage their health through a comprehensive and diversified array of products and services.

UnitedHealthcare Community & State is dedicated to providing health care 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 in 28 states and the District of Columbia.

UnitedHealthcare Global operates in two distinct segments: Global Solutions and Global Markets. Global Solutions serves employers and individuals in more than 130 countries who live and/or work outside their home nations. The Global Markets business serves the in-country health care needs of specific populations with health benefits and medical care delivery, primarily in Brazil and Portugal. Through our 2018 merger with Empresas Banmédica, a leading private health benefits and care delivery provider, we further expanded our services to Chile, Colombia and Peru.

Following are stories that highlight how UnitedHealthcare is improving the delivery of value-based care, addressing the social determinants of health and helping make health care more accessible and affordable for more people, while continuing to drive growth.

- **NexusACO**
- **myConnections**
- **Serving Seniors**

NexusACO primary care physicians help people navigate the health care system, making sure they and their families receive the right care with the right doctors.

NexusACO: Expanding Access to Quality Care at Lower Costs



Accountable care organizations (ACOs) help reduce costs and improve the quality of the health care system and health outcomes. This health care model can:

- improve prescribing and patient referrals;
- minimize unnecessary emergency room use and reduce hospital admissions and readmissions;
- better coordinate care transitions from post-acute to rehab to home; and
- identify gaps in care so they can be appropriately closed.

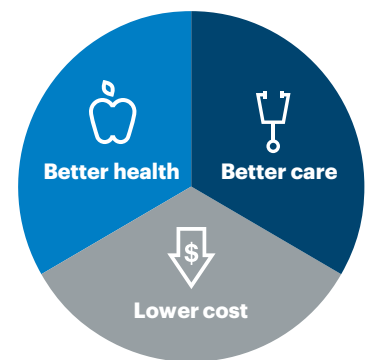
UnitedHealthcare's NexusACO is the first national health benefits plan to integrate value-based ACO contracts with incentive-based consumer benefits. Many of our employer customers have employees living across the country, yet most ACOs today only serve a single market. NexusACO represents the next generation of value-based health plans, organizing our high-performing ACOs and our premium care physicians into a national-tiered network, all supported by comprehensive digital resources.


Employees in the NexusACO program receive better care coordination. Primary care physicians help people navigate the health care system, making sure they and their families receive the right care with the right doctors at the most appropriate site of care. By using our real-time data analytics, NexusACO physicians are proactively engaging with their patients, helping lower costs and improve health outcomes. And this higher level of quality care is delivered at lower costs by UnitedHealthcare, helping our members save 8 percent to 12 percent on their health plans.

NexusACO launched in 2017 and is already delivering strong results. We expect to grow to 250,000 people in NexusACO by the end of 2019.

Value-Based Agreements

NexusACO is the first national health benefits plan to integrate value-based ACO contracts with incentive-based consumer benefits.





UnitedHealthcare's myConnections helped T.J. (pictured right) with affordable housing and essential medical and behavioral care.

myConnections: Addressing the Social Determinants of Health Care

Individuals who are homeless average nine times the number of ER visits, six times the number of hospitalizations and three times the overall health care costs of individuals who are not homeless. UnitedHealthcare's myConnections is helping these vulnerable people, including individuals eligible for state programs for the economically disadvantaged and medically underserved, receive essential social, medical and behavioral services. Through the program, UnitedHealthcare is arranging for consistent and affordable housing, facilitating transportation and job training, and connecting people with community health workers who can help provide additional support.

T.J.'s story is a great example of how UnitedHealthcare can help. T.J. was homeless and unemployed, on the streets for some time, suffering from depression, diabetes, asthma and chest pain. Since 2015, he made 254 trips to the emergency room and had 32 admissions to the hospital.

UnitedHealthcare's myConnections helped T.J. move into a supportive housing community and buy furniture to set up his apartment. The next step was to initiate a wraparound health plan, including counseling for his depression, treatment for his diabetic foot ulcer, help applying for Social Security Disability and education on rental housing.

T.J.'s health is improving, he is staying out of the emergency room and beginning to establish goals and imagine a future for himself, working toward achieving self-sufficiency.

myConnections is helping people receive essential social, medical and behavioral services.

In five years, UnitedHealthcare has grown to serve 1.3 million more people in Medicare Supplement, 850,000 more in group Medicare Advantage and 1 million more in individual Medicare Advantage.

Medicare: Serving Seniors With Stable Benefits, Personalized Care and Quality Customer Service



At UnitedHealthcare, we've learned seniors value stability in their health care benefits and experiences. As simple as it sounds, it makes a huge difference for the people we serve.

UnitedHealthcare Medicare & Retirement has a well-diversified portfolio of stable products that will carry the AARP brand exclusively through at least 2025. In 2017, our new low premium Part D plan grew more than any other competitor nationally, and we introduced a low premium Medicare Supplement product in 43 states. Across Medicare Supplement, we've grown to serve 1.3 million more people in just the past five years.

In group Medicare Advantage, leading employers continue to choose our products to serve their retirees, adding more than 850,000 people to UnitedHealthcare over the last five years. And stability in our individual Medicare Advantage products has contributed to our record retention level and growth of approximately 1 million people over the past five years.

But our service and growth story is about much more than product design and stability. It's also about the ever-advancing positive, simpler and personalized experience we create.

For example:

- **Navigate4Me** provides seniors personalized one-stop service for financial, social, medical, behavioral and product needs.
- **HouseCalls**, offered in collaboration with Optum, delivers a personal health assessment in the comfort of seniors' homes at absolutely no charge to them and provides seniors information on current and potential health issues. We completed 1.3 million HouseCalls and closed more than 2 million gaps in care in 2017.

Our diversified portfolio of stable products and services combined with customer service advocates who view their role as helping to save lives — not just answering the phone — will continue to drive our growth in the expanding senior market.

We completed

1.3 million HouseCalls

and closed more than 2 million gaps in care in 2017. These meaningfully improved stability of health care benefits and premiums for seniors.





A leader in health services, Optum serves virtually all types of participants in the health care system, helping to create better consumer experiences, achieve higher-quality outcomes, reduce costs and improve physician satisfaction. We serve our diverse clients and consumers through five capabilities that drive meaningful change and measurably move health care forward:

- Data and analytics
- Pharmacy care services
- Population health management
- Health care delivery
- Health care operations

Powering Modern Health Care Across the Health System

We are helping our clients and the people we serve solve their biggest problems, navigate change, capture opportunities and achieve their health care goals.

Optum's capabilities are infused with OptumIQ — our longstanding expertise in data and analytics — and delivered across three businesses:

OptumHealth serves broad market needs through OptumCare and Optum Consumer Solutions. OptumCare is a provider-led, patient-centric, ambulatory care system that is advancing value-based care at the local level, delivering the right care at the right time in the right setting to more than 14 million patients. Optum Consumer Solutions helps people achieve better health and helps employers, health plans, government agencies and care providers effectively manage health care trends. Services include digital tools, wellness coaching and incentives, behavioral health, care management, clinical specialty services and financial services to help people save and pay for their health care needs.

OptumInsight provides health care analytics, software, technology, consulting and process management, serving hospitals, physicians, health plans, government agencies, life sciences companies and other organizations.

OptumInsight helps clients reduce costs, meet compliance mandates, improve clinical performance and adapt to change.

OptumRx delivers a full spectrum of pharmacy care services that improve health outcomes and reduce total health care costs. OptumRx continuously engages with stakeholders across the health system to help synchronize individuals' clinical care, provide a whole-person approach to specialty pharmacy and home infusion services, simplify the consumer experience, empower physicians to make better decisions at the point of care and drive meaningful savings in health care expenditures.

The following stories share a few examples of how Optum is making the health system work better for everyone by helping people find the right care at the right time in the right setting, managing pharmacy care services — the point of care consumers use most — and helping improve the quality, effectiveness and efficiency of health care.

- **Surgical Care Affiliates**
- **PreCheck MyScript**
- **Performance Analytics**

Surgical Care Affiliates, which joined Optum in 2017, provides high-value surgical services through a network of more than 200 independent ambulatory surgical centers and surgical hospitals in the U.S.

Surgical Care Affiliates: Outstanding Clinical Outcomes and Patient Satisfaction at Lower Cost



Surgical Care Affiliates' (SCA) leading ambulatory surgical care centers add to our comprehensive care platform of primary and specialty care, urgent care and surgical care services.

A significant portion of the care currently delivered in hospitals or hospital licensed facilities can be performed at one of more than 200 facilities in our growing SCA network. Our clinicians and physician partners provide a broad range of high-quality surgical and procedural care at 50 percent to 75 percent lower costs than if the same care was provided in a hospital setting.

In 2017, approximately 1 million surgeries and procedures were performed in SCA facilities. Total joint replacement surgeries exemplify the quality and affordability provided by SCA. These procedures, which often cost \$50,000 or more in a hospital setting, can now be performed at half that cost in an ambulatory surgery center with outstanding clinical outcomes and patient satisfaction.

In many markets, we have the opportunity to shift appropriate care to the ambulatory surgery center setting, while driving outstanding clinical outcomes and receiving a Net Promoter Score above 90.

Optum improves clinical outcomes by developing data driven, risk bearing, high-value ambulatory care systems in local communities.

SCA provides care at

50% to 75%

lower cost compared to care provided in a hospital setting.



With PreCheck MyScript, physicians and patients can determine the out-of-pocket costs for medications and identify lower-cost alternatives while in the doctor's office.

PreCheck MyScript: Prescribing the Right Drug at the Best Price With Less Hassle



PreCheck MyScript is a breakthrough capability that provides real-time visibility into patients' drug benefits. Here's how it works. Imagine you're a patient in the exam room with your physician. Your doctor wants to prescribe a medication. Because PreCheck MyScript is seamlessly integrated into your medical record, your physician can immediately look up the desired medication. The two of you can then talk about whether or not the drug is covered by your health benefits plan, how much it costs you in out-of-pocket expenses, and whether or not there's an alternative medication that might save you money. For your physician, it's simple and easy to use.

PreCheck MyScript also alerts physicians if a prior authorization is required. It enables them to take action, saving patients from potential disruption at the pharmacy counter. Physicians have the option to either prescribe an alternative drug or file electronically for authorization. They receive instant notification regarding approval.

With PreCheck MyScript, patients receive the right drug at the best price with less hassle. That's important because if they encounter problems when filling their prescriptions, they might not fill the prescriptions at all.

UnitedHealthcare has already adopted PreCheck MyScript. In the brief time it's been in action, tens of thousands of prescribers have used it, accessing it over a million times. In 20 percent of the cases where an alternative, lower cost drug is offered, physicians prescribe it. The results are savings for consumers and our clients, and less frustration for everyone.

Real-time visibility into patients' drug benefits with PreCheck MyScript simplifies the drug prescribing experience for care providers and patients.

OptumIQ converts data into insights that care providers, health plans, employers and government agencies rely on to improve care quality, better manage cost and utilization and enhance consumer satisfaction.

OptumIQ: Transforming Data Into Insights and Actionable Information



Data and analytics form the foundation of Optum's health services business. In 2017, we introduced OptumIQ, an integrated, modern architecture for our data and analytics capability.

Our data is deep and dynamic with nearly 190 million lives of claims data and over 100 million lives of clinical data, including more than 6.5 billion medical procedures, over 18 billion lab results, and nearly 6 billion diagnoses. Although the size of our data assets is impressive, it's the enrichment and curation that makes them unparalleled in the industry.

Through OptumIQ we are actively investing in the future, leveraging artificial intelligence — neural networks, machine learning, deep learning and linguistic analysis — in preparation for the next decade and beyond. By applying artificial intelligence capable of addressing massive data sets, OptumIQ is uncovering patterns in quality and outcomes, consumer behavior, cost, risk and utilization, and operational performance. OptumIQ gets smarter every day, transforming that data into insight for our clients and helping them more easily keep up with the pace of change in health care.

Positioned at the epicenter of health care, OptumIQ is building a common language across the health care system by aggregating, cleaning, normalizing and integrating countless types of data from different sources.

Using our data and the latest technologies made by experts, for experts, our people are continually innovating with a purpose to solve real world challenges — transforming data into insight with industry-leading, dynamic metrics and measures.

OptumIQ claims and clinical data provide an unparalleled database of:

190 million

lives of claims data, over

100 million

lives of clinical data, including

6.5 billion

medical procedures,

18 billion

lab results and

6 billion

diagnoses.



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 2018 "World's Most Admired Companies"** list. This is the eighth straight year UnitedHealth Group ranked No. 1 overall in its sector.

UnitedHealth Group was included among the 2017 **Best Employers for Diversity** by *Forbes*.

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

In 2017, **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.

Project HOPE, a global health and

disaster response organization, honored UnitedHealth Group with a 2017 **Project HOPE Global Health Award**, which recognizes outstanding contributions to advance health outcomes in the developing world.

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

In 2017, for the seventh 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 2017 **Military Friendly Employer** by Victory Media, the publisher of *G.I. Jobs* and *Military Spouse* magazines.

In 2017, for the third 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.

Optum360, a leading provider of health care revenue management services, received the following recognition:

- **No. 1 in the 2017 Black Book Rankings** for revenue cycle management software, outsourcing and computer-assisted coding services.
- The **2017 United States Market Leadership Award** for revenue cycle management coding and clinical documentation from **Frost & Sullivan**.

Valor Econômico, a leading business newspaper in Brazil, ranked Amil first in the insurance sector in the **2017 Innovation Valor Brazil rankings**. The rankings are compiled in partnership with Strategy&, a PwC group.

UNITEDHEALTH GROUP®

www.unitedhealthgroup.com

UnitedHealth Group Center
9900 Bren Road East, Minnetonka, Minnesota 55343

©2018 UnitedHealth Group. All Rights Reserved. UnitedHealth Group is a registered trademark with the U.S. Patent and Trademark Office.