

UNITEDHEALTH GROUP



Our mission

Help people live healthier lives and help make the health system work better for everyone.

UNITEDHEALTH GROUP

A health care and well-being company with two distinct and complementary businesses working to help build a modern, high-performing health system.

Optum

Combines clinical expertise, technology and data to empower people, partners and providers with the information, tools and assistance they need to achieve better health.

Optum Health

Care delivery

Optum Insight

Technology-enabled services

Optum Rx

Pharmacy care services

UnitedHealthcare®

Offers a full range of health benefits, enabling affordable coverage, simplifying the health care experience and delivering access to high-quality care.

Employer & Individual

Supporting working-age individuals and families

Medicare & Retirement

Serving older adults

Community & State

Care for economically disadvantaged individuals

>152M
people served

~440K
employees

~\$400B
projected revenues
in 2024

Navigating an evolving health care landscape

UnitedHealth Group is committed to helping build a health system that is simpler, more connected and delivers higher-quality outcomes at a lower cost. Amid the evolving dynamics of the U.S. health system, we remain focused on continuously innovating to meet the needs of consumers by integrating our deep clinical expertise with technology and data analytics to deliver comprehensive care to the people and communities we serve.

Advancing value-based care

Fully accountable value-based care arrangements deliver better health outcomes at lower costs, and we remain committed to value-based care as the best model for managing care for patients, payers and providers.

In 2023, UnitedHealth Group advanced its value-based care model by adding nearly 900,000 patients in fully accountable arrangements. Optum Health now serves more than 4 million patients in this model, in which care provider incentives are most closely aligned with patients, with greater emphasis on quality and value of care. We meet consumers in the clinic, at home and virtually, and we are deepening our capabilities by further integrating pharmacy, behavioral and in-home care to deliver coordinated preventive care and better manage chronic conditions.

~900,000

new patients added to fully accountable arrangements in 2023

Compared to Medicare fee-for-service, Optum patients in fully accountable Medicare Advantage plans are 44% less likely to be admitted to the hospital for chronic obstructive pulmonary disease or asthma complications and 14% less likely to have an avoidable emergency department visit. Our integrated approach to preventive care helps patients better manage chronic conditions. Medicare Advantage members served by Optum fully accountable value-based care clinicians are 14% more likely to control their hypertension and 7% more likely to control their diabetes compared to people in Medicare Advantage plans receiving care from other providers.

Combining expertise across the Optum and UnitedHealthcare businesses – including clinical support, pharmacy services and technology – we expect to serve more patients through value-based care for many years to come across Medicare, Medicaid and commercial benefits.

Creating a simpler consumer experience

UnitedHealth Group is committed to meeting rising consumer expectations for simplicity, connectivity and transparency in health care. Through digital tools, innovative benefit structures and integrated, real-time payments, we meet evolving consumer expectations and drive greater efficiencies across the health system.

We continue to invest in digital-first capabilities that empower consumers to make better care decisions – helping them access higher-quality care at a lower cost both for them and the health system. We collaborate across our businesses to add new capabilities that increase access to on-demand care, provide highly personalized benefits information and improve affordability. For example, our fastest growing commercial offering features no annual deductibles and a clear view into the cost and coverage of health care services, helping more people access preventive care at a lower cost. And we provide a digital front door that is simple, intuitive and connects people to an ecosystem of health care services.

We continue to use the Net Promoter System (NPS), which helps us improve everything from product design to channel delivery to customer service. NPS links directly to our business goals, and strong NPS performance is associated with customer retention, growth, consumer satisfaction and loyalty.

Helping people access health coverage

The proportion of people in the U.S. with health coverage reached a historic high in 2023, driven largely by an increase in Medicaid coverage and Affordable Care Act (ACA) individual exchange plans. UnitedHealth Group remains committed to ensuring people have access to coverage options, particularly as states resume Medicaid eligibility redeterminations, which may cause near-term changes to coverage.

We are partnering with states to support their renewal and outreach efforts and closely monitoring membership movement to facilitate enrollment across our diverse product suite. Through comprehensive outreach, we help people maintain their health coverage by engaging members through providers, retailers, pharmacies and within their communities to connect them to an affordable coverage option that meets their needs.

Additionally, we have expanded our national footprint of individual exchange products to 26 states, including four new states in 2024, which provides additional coverage options to people seeking benefits as part of the Medicaid redeterminations process.

26

states where we provide individual exchange coverage

Maintaining stable benefits for older adults

More than 32 million people are enrolled in Medicare Advantage plans, representing about half of all Medicare-eligible U.S. adults, up from just 29% a decade ago. Older adults enrolled in Medicare Advantage plans receive additional benefits and care management, while spending 45% less than beneficiaries in Medicare fee-for-service.

UnitedHealthcare currently serves over 9.3 million consumers in Medicare Advantage and Dual Special Needs Plans, with more people in 4 Star and higher Medicare Advantage plans than any other organization.

Through various funding environments, we prioritize benefit stability for the Medicare beneficiaries we serve and focus on helping the most vulnerable individuals with the greatest needs in the health system.

Applying artificial intelligence and machine learning to support patients and providers

Artificial intelligence (AI) and machine learning (ML) can empower people with the information they need to make better personal health choices, provide physicians with insights to assist their decision-making and streamline the performance of the health care system. Supported by a comprehensive governance framework and a commitment to responsible use, UnitedHealth Group is investing in hundreds of programs that will create efficiencies across the health system, support front-line care providers and help people quickly access the right information.

We are focused on implementing AI/ML solutions to:

- Simplify administrative processes, such as call documentation in our contact centers, which frees up capacity for care advocates to engage with members.
- Build new data science platforms, including helping consumers find the right care.
- Offer medical and clinical insights that combine the latest medical knowledge, patient history and outcomes data.

We are energized by the possibilities of AI/ML solutions in health care – and are committed to proceeding in a way that considers, identifies and addresses potential unintended consequences of these tools. We seek to ensure that AI and ML models are used to enable and support – but not replace – critical human judgment.

Investing in the communities we serve

Our data-driven and community listening approach to advancing health equity helps us identify distinct population needs and then convene community partnerships to address the root causes. We collaborate with over 100 different community-based partners in more than 25 diverse communities, which are home to 5.5 million UnitedHealthcare members. Together, we co-design measurable and sustainable strategies to improve maternal health outcomes, increase access to primary and behavioral care and improve outcomes for those with chronic conditions.

~\$100M

**in social impact investments
committed since 2020**

In addition to growing our robust affordable housing tax credit investment portfolio, we have committed nearly \$100 million in social impact investments since 2020. In 2023, our investments focused on helping people living with disabilities who are unemployed and underemployed; supporting community health; food and agriculture; and clean energy – all critical determinants of health. We also committed to invest more than \$80 million in a renewable energy project in support of our commitment to net-zero emissions.

Sustainability at UnitedHealth Group

Sustainability is an essential channel for fulfilling our mission and deepening our societal impact. Our sustainability priorities include:

- **Helping to Build a Modern, High-Performing Health System.** Our core business is committed to building a simpler, more consumer-oriented health system to help ensure everyone has access to high-quality, affordable health care.
- **Healthy Environment.** Recognizing the impact climate change has on human health, we are working to minimize our footprint by becoming operational net-zero by 2035.
- **Our People and Culture.** Our ability to build a diverse, equitable and inclusive culture is critical to our success as a company where innovation and compassion fuel our impact on the people and communities we serve.
- **Responsible Business Practices.** Our decades-long commitment to strong and effective corporate governance is foundational to our ability to grow and operate ethically as we work to improve the health and well-being of those we serve.

Learn more in our [Sustainability Report](#).

Long-term financial performance outlook

We anticipate our enterprise will continue to grow as a result of delivering differentiated value to our customers, consumers and society as a whole. We maintain a long-term outlook for earnings per share growth of 13% to 16%, on average, with about two-thirds of this growth typically driven by earnings from operations and the remainder from capital deployment.

Optum

We expect Optum to sustain a long-term double-digit revenue growth rate, primarily by serving more people, more comprehensively.

- Optum Health is expected to have double-digit revenue growth, with operating margins in the 8% to 10% range.
- Optum Insight is expected to deliver double-digit revenue growth and operating margins of 18% to 22%.
- Optum Rx revenue is expected to grow at 5% to 8%, with operating margins in the 3% to 5% range.

UnitedHealthcare

We expect UnitedHealthcare to continuously increase value delivered to customers and serve more people across its businesses, resulting in an 8% to 10% long-term revenue growth rate. The operating margin profile of each business is expected to continue to be generally stable over the long term.

- Our Medicare Advantage business is expected to grow as more people select our high-value offerings and the population ages.
- We expect our Medicaid business to grow as states expand managed coverage, especially for more complex populations.
- Within the commercial business, our new innovative offerings are expected to drive growth in the years ahead.

Among UnitedHealthcare's businesses in total, we expect the medical care ratio to rise gradually over time as we expand in government programs, which typically come with a higher medical care ratio than commercial businesses.

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- Consistent with recent years, we expect to sustain a mid-single-digit percentage operating margin over the long term, with annual variations based on business mix.
- We anticipate improving our operating cost ratio by an average of 20 to 40 basis points per year on an equivalent business mix basis.
- We will continue to deploy capital through targeted acquisitions, seek to maintain an attractive dividend and expect to continue ongoing share repurchase activity. We expect these will contribute 3 to 5 percentage points to our annual earnings per share growth rate.
- We expect our business performance and capital deployment will yield a return on equity of 20% or higher and a return on invested capital in the mid-teens percent or greater.
- Earnings growth rates inherently vary year to year, due to changes in economic conditions, health program funding and regulatory changes, investments to drive future organic growth, and capital allocation activities such as business combinations, share repurchases and our dividend.

Balancing capital allocation among key priorities

We balance the allocation of the capital generated by our strong cash flow among several key priorities: ensuring the strength of our regulated entities and the overall enterprise capital structure; internal reinvestment opportunities; growth through acquisitions; and returning capital to shareholders through dividends and share repurchases. Our board has authorized a double-digit increase of the dividend each year since 2010, to the current annualized level of \$7.52 per share, or approximately \$7 billion. The dividend is reviewed by management and the board regularly in light of business needs and market conditions.