Company Name: UnitedHealth
Company Ticker: UNH US
Date: 2018-10-16
Event Description: Q3 2018 Earnings Call

Market Cap: 262,341.36
Current PX: 272.57
YTD Change($): +52.11
YTD Change(%): +23.637

Bloomberg Estimates - EPS
Current Quarter: 3.236
Current Year: 12.732
Bloomberg Estimates - Sales
Current Quarter: 57928.636
Current Year: 225509.538

Q3 2018 Earnings Call

Company Participants

- David Scott Wichmann
- Andrew Philip Witty
- Steven H. Nelson
- John Franklin Rex
- Brian Thompson
- Andrew P. Hayek
- Dan Schumacher
- Eric Murphy
- John Prince

Other Participants

- Matthew Borsch
- Justin Lake
- Kevin Mark Fischbeck
- David Howard Windley
- Sarah E. James
- Michael J. Baker
- Zachary Sopcak
- A.J. Rice
- Stephen Tanal
- Ralph Giacobbe
- Lance Arthur Wilkes
- Michael Newshel
- Charles Rhyee
- Gary P. Taylor
- Peter Heinz Costa
- Ana Gupte

MANAGEMENT DISCUSSION SECTION

GAAP and Non-GAAP Financial Measures

This call will also reference non-GAAP amounts

A reconciliation of the non-GAAP to GAAP amounts is available on the Financial Reports and SEC Filings section of the company's Investors page at www.unitedhealthgroup.com

David Scott Wichmann

Business Highlights

Opening Remarks

- Earlier today we reported strong operating and financial results across our enterprise
- Those results provide a sense of the capacities to advance growth within our businesses, capacities rooted in the breadth and adaptability of our business approach and above all in our mission, helping people live healthier lives and helping make the health system work better for everyone
- Executing on this mission produces real value for the people we serve and for society in the U.S. and globally through higher quality health care delivery with better outcomes at lower costs, leading to improved consumer satisfaction

Revenue and Adjusted EPS

- Executing on our mission also produces steadily advancing growth and financial value
- Third quarter revenues grew 12% to $56.6B, and third quarter adjusted EPS grew 28% to $3.41
- We now expect our full year adjusted EPS to approach $12.80, growth of about 27%
- This increases our outlook by $0.17 per share from the midpoint of our range last quarter
  - These results are grounded in persistently applying three core competencies: information, technology and clinical insights across our businesses

Health Systems

- At no time in our history has our work in these three competencies held more promise than today as they powerfully combine to unlock health care value for those we serve
- We organize and align data, both clinical and administrative, around the health care consumer using proprietary tools and technologies which evaluate data and care patterns against evidence-based guidelines
- Pairing highly personalized data and best-known science, we offer next best action for consumers while providing them full transparency into the quality and cost of services offered by their local health systems

Health Care Demand

- We engage our own clinical care resources as well to directly support consumers' individual health care needs
- We further use data to improve compliance with the evidence-based medicine, raising overall satisfaction with care and reducing unnecessary resource consumption
- We increasingly do this through employed and affiliated integrated care teams and in more ambulatory care settings, sharing this knowledge at critical points of decision-making
- Building and applying these competencies persistently to serve each individual we touch, the broader communities and societies we are a part of and you, our shareholders, requires thoughtful continuing investments internally and in alignment with others through well-developed research and development, venture and M&A capacities

Care Delivery

- You can see the broad impact of these competencies in each of our five growth pillars

- In care delivery, we use data analytics in concert with our knowledge of local market clinical performance to get patients to the best doctors, care pathways and sites of service for particular conditions, and to inform development of value-based care arrangements for our employed and affiliated care providers
- Increasingly, these are shared risk and performance-based relationships

Colorado Doctors Plan Offerings

- In consumer-centric health benefits, information is powering modern product designs, supported by performance networks, tools and incentive programs to advance quality and engagement, improving appropriate consumer access, while reducing the cost of health care
- Specific examples include our new on-demand health care and Colorado Doctors Plan offerings and our designs for the duly eligible and Medicare Advantage participants
- All of these hold promise for continued growth across our benefits businesses
- You see it in pharmacy care services, where we have integrated medical and pharmacy information and provide point of care technologies to simplify administration, improve drug selection and adherence, and reduce only pharmacy cost, but medical care cost as well, all increasingly within the clinical workflow of doctors

Consumer Digital Health Platform

- You see it in digital health, where our consumer digital health platform Rally is now serving over 20mm registered users
- Rally is synthesizing information and engaging people to better manage their health, helping consumers save money by selecting the highest quality care providers, understanding their out of pocket costs upfront and, in some markets, even scheduling appointments for care
- We will soon be releasing at scale a first-of-kind fully integrated and fully portable individual health record that delivers personalized next best health actions to people and their caregivers

Global Health Care

- And finally, in global health care, we are bringing payment integrity, analytics and network and product innovations to key private health care markets in South America, in support of both our health benefits businesses, as well as our extensive care delivery operations
- These are just a few examples of how we deploy those core competencies in our businesses
- Taken more broadly, they give you a sense of UnitedHealth Group’s potential to drive distinctive, constructive change, sustained growth and performance for those we serve

Andrew Philip Witty

Q3 Highlights

Optum

- Taking a mission and competency approach enables us to think more deeply and holistically about the health care landscape

- At Optum, we are focused on building and developing a broad set of capabilities which support our vision of delivering better health care more affordably
  - We're still early in the journey of releasing the full potential of our assets in both the digital and local care environments
- Optum will lead by offering deeply customer-focused, simple to access, high-quality health care actions and options
- We are seeing extensive opportunities to build out our capacities and are committed to stepping up our pace of innovation on behalf of our clients and consumers

Revenue

- Looking at third quarter results, our revenues grew $2.5B over last year to $25.4B, with growth accelerating to 11% from 9% in Q2
- This revenue advance was again well-balanced with strong growth rates from both internal and unaffiliated customers, consistent with recent quarters

OptumRx

- Our metrics were indicative of this growth across the businesses
- OptumRx fulfilled 331mm scripts in the quarter, generating revenue growth in excess of 9%
- OptumHealth served 92mm people, with revenues increasing over 15%
- And OptumInsight backlog grew nearly 13% to $15.7B at quarter-end
- Themes of productivity and operational excellence continued in Q3 as Optum's operating margin of 8% increased 60BPS over last year, with each business strongly expanding operating margins y-over-y and sequentially

Earnings

- Earnings from operations grew $334mm or nearly 20% to $2B, with strength across OptumHealth, OptumInsight and OptumRx
- This continues the long-standing trend of proportionally greater Optum earnings in H2 and positions us well for 2019
- The businesses of OptumHealth engage people in their health and well-being, help them manage their health conditions and increasingly provide care through our high-value clinicians and care delivery sites
- Growth at OptumHealth continues to be led in the development of the care delivery businesses as a primary care driven, ambulatory care system

OptumCare

- OptumCare provides primary care in 35 priority markets and serves 80 health plans and 14mm people, up 2.6mm patients or 23% compared to a year ago

- Patient growth was driven by increases in our high-value sites of service businesses and growth in our existing primary care markets
- And yet, many of our local efforts remain in an early investment stage
- Building out this high-performing ambulatory care system will occupy us for the next decade as we progressively deliver significantly improved outcomes, quality and value to patients

OptumInsight

- At OptumInsight, we serve health plans, care providers, life science organizations and governments with data analytics, insights and innovative solutions to make better decisions and investments, and to better manage performance, quality and their cost structures
- Over the past several years, we have focused on the further development and growth of our care provider services and capabilities, an area where we see meaningful opportunity
  - Here in particular, I'd note revenue management, outsourcing solutions and data analytics and advisory services as important contributors to our recent growth
- I'm enthusiastic about OptumRx and its differentiated integrated pharmacy care services approach
- This business enables us increasingly to advance high-quality, high-value specialty pharmaceutical, e-commerce and site of service initiatives, combined with convenient local market dispensing, all centered on whole-person care

HHS and CMS

- Launching the nation's first-ever scaled application of pharmacy discounts at a point of sale will further improve the value consumers receive
- We are actively supporting efforts at HHS and CMS to transform pharmacy pricing by engaging in Part B drug and site of service management, formulary approaches and other initiatives to bring better health care value for people

OptumRx

- OptumRx is becoming increasingly diversified and capable, meeting consumers where their needs are greatest
- With growing contributions from specialty medical management to directly serving high-needs patients with critical access and adherence services through community-based dispensing and delivery, to offering fulfillment services for limited distribution specialty drugs

Summary

I see OptumRx as a champion of the consumer in an area where it's difficult for individuals to have a truly effective voice

Through our depth of insight, data and clinical capabilities, we can help inform and amplify their voice

Within our pharmacy care services approach stands an immense opportunity to transform what has been a challenging area of the health system and positively impact people's lives

- While it's early in my time at Optum, I'm struck by the sheer size and depth of the opportunity, resources and capacity Optum has to drive extraordinary innovation across health care, making people healthier and helping

make health care systems work better

After more than three decades in health care, I've never seen an organization with the potential of Optum

Steven H. Nelson

Q3 Highlights

Market Conditions

- UnitedHealthcare's market position is supported by a foundation of consumer value drawn from the breadth and diverse array of health benefit choices, competitive costs, distinctive care quality, and market responsive consumer service
- Together, these deliver stability, peace of mind and value to the nearly 50mm people we serve
- Our agenda is to drive a higher NPS and increased value by advancing our service experience, market-leading innovations and the total cost of care
- Our approach and mindset across the enterprise enable UnitedHealthcare to serve each individual with compassion, while addressing the evolving health care needs of society, driving growth and returns for shareholders

Revenue and Operating Margin

- In Q3, UnitedHealthcare revenues grew to $45.9B, an increase of $5.2B over last year and accelerating to 13% growth
- Over the past 12 months, we have been privileged to serve 2.8mm more people by way of organic growth and an expanded presence in South America
- UnitedHealthcare's earnings from operations were $2.6B with a 5.6% operating margin
- Overall, medical cost trends remain well managed, predictable and consistent with expectations
- In operations, we're delivering a better and more modern consumer and care provider experience while driving productivity and affordability improvements in our cost structure through technology, better processes and the benefits of growth and scale

UnitedHealthcare Medicare & Retirement

- In UnitedHealthcare Medicare & Retirement, we continue to innovate and grow
- UnitedHealthcare served 125,000 more people through Medicare Advantage offerings in Q3, including the 65,000 members of Peoples Health in Louisiana, the highest Medicare star quality plan in that state
- We expect strong growth again next year
- With the 2019 marketing season now underway, we're receiving positive feedback on our new offerings from brokers and consumers
    - This year, more than 50mm people nationwide will have a choice of multiple plans from UnitedHealthcare, and we're emphasizing our stability and value for seniors

Medicare Advantage

- Well more than 90% percent of our current Medicare Advantage members, more than 4.5mm people, will see either no premium increase or a premium decrease even as we provide personalized navigation, introduce new value-added benefits at no additional cost and increase and modernize access for seniors to fitness and wellness services, virtual visits and reliable transportation for medical appointments
- Today, Medicare Advantage programs serve only about 20mm people nationally in a growing senior population of 60mm people
- We deliver Medicare medical benefits at an average cost that is more than 20% lower than original Medicare, with costs in our higher performing markets as much as 30% below original Medicare
    - We convert these cost advantages into highly valued benefits and services for seniors, filling the significant gaps in coverage within original Medicare

Market Share

- Our programs focused on higher acuity populations like Medicare Advantage remain an extraordinary growth opportunity for UnitedHealthcare because we can offer such strong value
- UnitedHealthcare Employer & Individual grew to serve 65,000 more people through risk-based commercial products in Q3
- Our growing market share and fully insured products in recent years reflects our rising NPS with customers, consumers, care provider partners and our distribution partners
- Strong customer retention rates and the increasing value we deliver with consumer-centric products, tailored networks and greater consumer engagement are important drivers of growth
- In 2019 and 2020, we expect to introduce additional products supported by performance networks, and we'll launch advanced digital capabilities, providing even greater personalization, simplicity and value for consumers

UnitedHealthcare Community & State

- In UnitedHealthcare Community & State, growth over the past year was led by higher need and therefore higher revenue membership, such as those who were duly eligible to participate in long-term services and support programs
- Medicaid membership grew organically by 5,000 people in the quarter, offset by the divestiture of our plan representing 85,000 community-based members in New Mexico
    - We continue to focus on delivering value to our state partners by advancing health and improving our total cost of care and the operating cost positions in Medicaid

UnitedHealthcare Global

- At UnitedHealthcare Global, our integrated delivery systems, primary care health center model and progressive use of information and technology are creating value for our customers in South America
- We continue our disciplined approach of pricing health benefits to their expected costs, and our hospitals in Brazil continue to improve their performance as measured by health outcomes, NPS and financial returns

Chile, Peru and Colombia

- UnitedHealthcare Global is creating value with our Banmédica colleagues in Chile, Peru, and Colombia with early progress in population health management, clinical management and analytic capabilities
- Initial focus areas include the adoption of evidence-based clinical guidelines and site of care strategies for high utilizing patients

Investments

- Looking ahead, we expect sustained strong growth and improved earnings performance from UnitedHealthcare
- Our investments in innovative products, capabilities and the consumer experience will increasingly be brought to market even as we focus on delivering market-leading total cost of care
- And we believe UnitedHealthcare is uniquely positioned to serve in the high growth, higher acuity sub markets like Medicare, duals, or patients with complex and chronic conditions

John Franklin Rex

Financial Highlights

Adjusted EPS

- To bring all the previous comments together, this morning we reported $56.6B in third quarter revenues, growth of 12.4% over last year
- Earnings from operations of $4.6B grew 12.3% on strong operating margins of about 8%
- Adjusted EPS increased 28% to $3.41
- Third quarter adjusted cash flows were $6.1B or 1.9 times net income
- Of note, we made $2.6-billion payment to the U.S. Treasury on October 1 for our customers' portion of the nation's health insurance tax for 2018, which will factor into our fourth quarter cash flow results

Medical Care Ratio

- With nine months of 2018 complete, our original outlook for commercial medical cost trends of 6%, +/- 50BPS, is biasing just slightly lower than 6%
- In Q3, our consolidated medical care ratio of 81% compares to 81.4% in the year ago quarter and reflects the impact of the health insurance tax, offset by changes in business mix and development
- Medical reserves developed favorably in the quarter by $50mm
- Within that result, we had approximately $120mm of favorable development for 2018 and $70mm in unfavorable prior year development

Operating Cost Ratio

- Our third quarter operating cost ratio of 15% increased only 30BPS over last year, despite bearing about 1 percentage point of cost increase from the return of the health insurance tax, as well as higher investments in innovation and business development

- We offset that pressure with operating expense discipline across the board and strong revenue growth in lower operating cost ratio businesses such as Medicare and Medicaid

Balance Sheet

- Turning to our balance sheet, return on equity for Q3 reached nearly 26% and our debt to total capital ratio was 38.9% at September 30
- We have repurchased 3.7B of stock YTD for approximately $233 per share, and we continue to apply capital to our businesses through M&A, venture investments and organic development to strengthen our offerings for customers and further diversify our enterprise

Capital

- Taken together, our strong and diversified growth, disciplined cost management and strategic use of capital are combining to produce another year of meaningful financial performance
- As Dave mentioned, we now expect 2018 adjusted earnings approaching $12.80 per share, growth of approximately 27%

David Scott Wichmann

Q3 Highlights

Performance

- As we closeout Q3, attention naturally turns to 2019
- We will reserve the majority of this conversation for our November 27 investor conference, but I can offer a few high level observations at this time
- The environment in 2019 will contain, as always, a mix of the elements common to the broad marketplace and those unique to us

Investment Levels

- Overall, our individual businesses are building from a fundamentally strong foundation, and we continue to create strong momentum heading into next year
- We will continue to advance NPS supporting continued growth across our businesses
- Our accelerating investment levels will fund the delivery of compelling innovations into 2019 and 2020
- And as we evaluate the many opportunities we see over the next number of years, we believe our long-term performance will remain aligned with our long-term goal of EPS growth of 13% to 16%

Adjusted EPS

- We enter 2019 with energy and optimism for the future and I would offer at this distance the current market consensus estimate for adjusted EPS captures our 2019 outlook within a typically sized range
- As always, we will seek to perform to our full potential

- Advancing distinctive, constructive change in health care is an enormous and complex undertaking

Strategy

- We believe we have a lot to offer advancing more value for consumers, while mitigating costs for those who pay for care
- Our strategies do not depend or reside on a single piece of technology, database, distribution system, clinical approach, funding mechanism, or any other singular view of what it takes to make a durable and meaningful difference in health care

Conclusion

Rather, our potential resides in the combination of our diverse market presence, our data technology and clinical competencies, the compassion, integrity and deep health care knowledge and skills of our nearly 300,000 people, the millions of trusted relationships we have earned over time, and our understanding of and full alignment to the rapidly advancing standards of performance to individuals and the health systems' worldwide demand from their health care

Our people and this deeply motivated, restless, diverse and adaptable leadership team are fully engaged in improving value for society and delivering consistent, distinctive financial results

QUESTION AND ANSWER SECTION

<Q - Matthew Borsch>: If you could comment on your outlook for the Medicare open enrollment season, and just within that, the trend in 2018 has been very heavily skewed in favor of the large public companies. I'm wondering if you can comment on that as it relates to prior years and if you expect that to continue. Thank you.

<A - David Scott Wichmann>: Hello, Matt, thank you for your question. Obviously it's an area of strength for our organization. We have performed exceptionally well in growing the Medicare Advantage market, both the individual as well as serving group accounts as well. That takes a lot of planning and execution. Our team is very strong in that regard and I think we expect a very nice result to develop for 2019 as well. Let me ask Brian Thompson to add to that.

<A - Brian Thompson>: Thanks, Dave. Brian Thompson here. Yeah, Matthew, 2019 is shaping up as a really great year, I think, for seniors at large and the MA industry. Specifically, we are certainly optimistic about our products and how they compare what we're seeing in the marketplace is consistent with our expectation and certainly gives us confidence about our positioning.

We expect to drive another very strong year of MA growth and continue our momentum that we've demonstrated now for several years. I think as we approach the year, what we're seeing in the marketplace looks like what we had expected. I'm very pleased with our position. Really no surprises, and I think you can expect more growth from us in 2019.

<Q - Justin Lake>: First on that I apologize, on the Medicare Advantage, the CMS is estimating 11.5% growth for next year. Just curious if you agree with that. And then my question is really on the PBM side. You acquired two specialty pharmacies in the quarter. I wanted to get your updated view on the PBM business given all the debate in the sector around the sustainability of margins and economics in general and the future of rebates in particular. Thanks.

<A - David Scott Wichmann>: Thank you, Justin. Of course, we have our own point of view about what we expected the growth rate to be in the Medicare Advantage market and of course CMS's number was quite a bit higher than that. I think we're still indexed on a lower expectation, but we certainly would be pleased to see that growth rate overall. Brian, if you have anything to add to that.

<A - Brian Thompson>: No, I think you said it right, Dave. As we've said in previous quarters, we look at the long-term industry growth rate for MA more in that 7% to 8% range. As I said last quarter, Justin, our planning is

certainly to outpace that rate as we have now for four or five years.

As Dave said, a lot of optimism, but a lot of ranges around what the growth rate might be for 2019. I don't think it'll be instructive for us to chime in on what that percentage might be, but certainly optimistic, certainly reasons for it to strengthen and we're pleased with how we're positioned as we approach 2019.

<A - David Scott Wichmann>: And a very insightful question also, Justin, on the specialty pharma acquisitions. We are very excited about those. There's a lot of adaptability for those across multiple aspects of our business. Andrew Witty, would you like to comment?

<A - Andrew Philip Witty>: Yeah. Thanks, Dave. So again, thanks for the question. Yes, during the quarter, we acquired both Avella and Genoa, both of which are going to be potentially very important additions to our specialty pharmacy portfolio. They made very small contribution in the quarter itself. But going forward, we see them offering distinctive contributions in the behavioral space, as well as in the specialty, particularly the oncology space.

To your more general question, around the role and the importance of PBMs, I think it's important to reflect on really the fundamental role of the PBM offers, which is to aggregate volume and to ensure a pricing discipline within the pharmaceutical sector without which there really wouldn't be any kind of discipline around drug price increasing phenomena. As you know, drug companies are free to increase prices at will. The PBM acts as a mechanism to discipline that process. Historically, that's been through the rebating mechanism.

As we look forward, we're ready for whatever evolution of that marketplace might take place. The diversification of the OptumRx portfolio into a really diversified portfolio of pharmacy services is really displayed in its continued growth rate; development of the Briova Infusion business, as one example. We've seen a significant set of positive evolution there.

To the degree to which there is change in the PBM environment, I come back to my first point. It's critical that any environment ensures that there is a disciplining mechanism for price increases in the U.S. And whether that's through rebates or any other mechanism, we're ready to engage with whatever changes might come along.

<A - David Scott Wichmann>: So, Justin, I might just add, you probably noticed or the markets have noticed a pivot for us from a PBM to a pharmacy care services-based business. And I know we've been talking about that for some time, but more increasingly over the course of the last couple years or so. With Andrew here, Andrew Witty, he's taken an actually modernized and advanced that approach even more so for us, really enhancing our thinking in this area. And I think what you can expect from us is that we'll be deeply thoughtful about how we engage and participate broadly, but also have confidence that we will navigate through this change similar to the way we have across other changes in health care in the past.

<Q - Kevin Mark Fischbeck>: I want to go back to MA, if I can, and really just thoughts about the margin sustainability in that business. It seems like every company is really looking to grow MA as a key driver going forward. Every company seems to talk about growing faster than the industry. And I think CMS's comments about the 11.5% number, I think, is to some degree driven by the view that companies are largely improving benefits, which all else equal I guess would imply margin compression. So I would just love to hear your thoughts about how competitive that marketplace is and the ability to kind of maintain margins and grow the way that you're targeting over time?

<A - David Scott Wichmann>: That's a great question, Kevin. Obviously, we have great confidence in our ability to sustain our margins and continue to grow the business. It has always been a competitive marketplace, and clearly there's a lot of new entrants into that market as well. I think those new entrants in the competitive field make us just that much better.

We've had some distinctive capacities in this category, and I think that that's what makes us different and really enhances our ability to continue to grow and sustain margins by creating real value. And maybe I'll ask Brian Thompson once again to comment on maybe what some of those capacities are and provide further context.

<A - Brian Thompson>: Sure. Thanks, Dave. As Dave said, certainly pleased with the outlook for what we see in 2019, but I certainly want to point out the strong momentum that we've demonstrated. This is the fourth year of

outpacing the industry growth rate quite meaningfully, and I think it's a signal that our value is resonating in the marketplace.

Over the last four years, benefit stability as well as the enhancements we've added, our focus on a hassle free agenda. Taking out the complications for those we serve, our service model which we call our Advocate4Me service model, our very popular HouseCalls program, the various tier management programs we have, all virtually Optum-enabled, they're really resonating. And we're seeing that value with our members, with our physician partners and our distribution channel at large. And we're really pleased to have that sort of track record and momentum as we enter what's appearing to be a very optimistic season for seniors.

<Q - David Howard Windley>: Wanted to shift over to OptumCare. Wondering how many markets do you have a substantial build-out where, say, a material portion of your benefit's been on the UnitedHealthcare side in those service areas where you choose to compete would be flowing through OptumCare? What kind of savings do you see from using OptumCare? And then, how do you foresee the build-out of subsequent markets, of more markets to that level of influence?

<A - David Scott Wichmann>: That's a great question, Dave. I think the script covered some of that when we were referring to Medicare Advantage products and particularly the value that are created relative to original Medicare, and we talked about the upper limits of that being the 30% or so savings category. That's really what we're referring to as the deep relationships that UnitedHealthcare and, frankly, others have with the OptumCare enterprise, which is a fiercely multi-payer business, so serving many payers as we outlined in the script as well. We have Andrew Hayek here. He'll answer the balance of your questions.

<A - Andrew P. Hayek>: Thanks, Dave. So to add to what Dave shared, just at high level, we're really pleased with the performance of OptumCare in terms of improving quality measured by Stars and HEDIS measures. Our consumer experience, we're averaging a Net Promoter Score of 71 across OptumCare and OptumHealth and the total cost of care savings, savings to the system by driving better health, by preventing avoidable admissions, by practicing evidence-based care. And to Dave's point, when we view these things, we're seeing savings in the order of magnitude of 30% compared to traditional Medicare in a growing number of our mature markets.

As was referenced earlier, we're present in 30 markets across OptumCare. There are varying levels of depth in those markets, but all of them are on the pathway towards value, value-based contracting, value-based clinical programs, culture, how we orient our physicians. We're deepening our presence in those communities that we serve, again, at different points along the continuum, but they're all deepening and growing. And we're optimistic.

We're at the early stages, as Andrew Witty shared, of the potential of OptumCare. And as we generate these kinds of results for the communities we serve, the patients we serve and our 80 health plan partners, we see continued and growing interest to enter new markets and to deepen our presence in our current markets.

<Q - Sarah E. James>: I wanted to go back to your comment on 2019 being within the range of the long-term growth which you previously said was 13% to 16%. So there were bullish comments on Medicare and Optum growth, and then we have the HIF break, so stacking up to be more tailwinds than headwinds. So can you run us through any headwinds or tailwinds that may be missing from that? And spike out the impact of the HIF tailwind? I think this year it was $0.75 headwind to 2018, so how much is it rolling off for the benefit to 2019? Thanks.

<A - David Scott Wichmann>: Sure, Sarah. Thank you. So maybe what I'll give you a sense of is the – generally speaking the headwinds and tailwinds that we see, and then I'll ask John Rex to cover the HIF, which I'm sure there is a lot of interest in.

So generally, headwinds end up being matters that are less specific to us, so I'll call them industry-related headwinds, but we certainly have things that are unique to us as well. I think it's really important always as we think about planning, and we're in the midst of it right now, that we always start with a deep respect for medical costs and also around positioning and a conservative posture on pricing to ensure that we fully consider those medical costs in that pricing.

Next to that, I'd say the sufficiency of government funding is always of concern, specifically in an environment where budgets begin to tighten and as our population continues to age. That's going to put pressure broadly on budgets.

So our response to that is to continue our extensive advocacy activities that we had in this area to ensure that the voices of those that depend on Medicare and Medicaid are heard and well heard. At the same time, you've heard a lot of conversation this morning around managing total cost of care and being very restless around driving greater value to the market. So we clearly respond to that sufficiency of government funding call by making sure that costs are contained and that consumers, Medicare consumers in particular, receive additional value for their premium dollars.

The Health Insurance Act is an interesting item. I'll give my take on it first and then as I said I'll ask John to at the end of this to comment on it as well. But I see it as a negative. I see it – its return as a negative for people, for the industry, for business, for society broadly. If it returns, the industry is going to need to once again build it into premiums, and that's going to elevate them to a point of dissatisfaction among consumers. We saw that when it came back here for 2018 in particular. It affects our NPS, it causes unnecessary instability for those we serve, particularly our Medicare members who are on fixed incomes.

Beyond that, the rest of the items are pretty unique to us. But I'd call out one in particular which is around the pacing of investments. As you know, we have NPS ambitions in this company. We have growth ambitions in this company. We have ideals around how we can add value to the health system broadly over time. So we have new R&D, our research and development capacities. And you heard us talk about a lot of start-up based businesses. OptumCare is still a start-up, probably midstream in its overall development, something that will take nearly two decades to fully develop.

But you also saw us talk – or heard us talk about things like buying the Colorado Doctors Plan. And while we didn't talk about it today, we are also entering into new geographic markets for Medicare and also for our commercial based business, and all of those things take deep investment. But they're investments that are necessary in order to sustain that long-term and I underscore long-term growth rate of 13% to 16% over time.

You're absolutely right. We have a lot of tailwinds. And they surpass our headwinds, and that's why we can offer up the strength of that 2019 guidance that we have. Those include advances in NPS, cost containment, and the innovation that is a hallmark of this company, and all those things continue to fuel growth. We expect a strong year from Medicare Advantage as you heard from Brian.

But we also expect continued strong growth and returns from our market competitive commercial offerings. And as I said last quarter, we were a bit dissatisfied with our ability, particularly in the national accounts market, to advance our self-funded business. I think that's going to pivot in 2019 and begin to produce growth in 2020. Our Medicaid businesses do very well on the duals and with the long-term services and supports populations. I think they can do a lot better, perform a lot better with the base Medicaid plans as well.

OptumCare is going to enter into more new markets. It's going also advance its risk bearing capacities. We talked about OptumRx. They had a successful selling season again this year, but it has a lot of momentum particularly in specialty in delivering considerable supply chain value. OptumInsight is performing really well on revenue cycle management and cost containment lines, and our global businesses continue to expand across both insurance and delivery. And we're going to continue to deploy capital in the business and grow as you've come to expect from us in the past.

So, sustaining all that really requires a significant investment. So what we do is we thoughtfully plan about what investment capacities we have so that we can invest and continue to sustain that kind of 13% to 16% long-term earnings growth rate over time. And our idea is to provide the maximum return possible for society and then also our shareholders. With that, maybe I'll ask John just to touch on the mechanics of the HIF tax as well.

<A - John Franklin Rex>: Sure. Sarah, good morning. Just a few components here as we think about the HIF tax and our view on it and expectations going into next year that might be instructive. So I think the first thing to recall is when we laid out our initial $0.75 back in November, that was prior to very important events that occurred later on, which was the reduction of corporate tax rates. That meaningfully muted the impact, the headwind impact of the health insurance – the health insurance headwind for us this year.

So – and I know you're aware of that one. That's a significant reduction. There are other true-ups and miscellaneous items as the year goes on, but by far and away, that would be the biggest component. So with nine months of actuals now, we sized 2018 y-over-y headwind as just over half the level or around the half the level we'd initially expected back then. Again, vast majority of that just due to the corporate tax reduction.

As we start considering things and elements for 2019, among things we'll have to consider and be watchful for is when and how any conclusions are made for the reintroduction of the tax in 2020 also, as that would have impact on the 2019 view. So all elements will be in play, but just want to kind of also provide a little guidance on where we think it's been – the impact it's had in 2018 also.

<A - David Scott Wichmann>: Thanks for the question, Sarah. You got probably more than you asked for in the answer. But we had to...

<Q - Michael J. Baker>: Looking for an update on the shift from fee-for-service to fee-for-value, both in terms of where you guys are at now as well as on the OptumIT side, the systems that you're delivering to aid providers and payers in that move.

<A - David Scott Wichmann>: Okay. Well, I think the shift to fee-for-service, or shift from fee-for-service to fee-for-value, I'll have Dan Schumacher, President of UnitedHealthcare, discuss, and then maybe, Andrew, if you want to tie into that as well.

<A - Dan Schumacher>: Sure. Thank you, Michael, for the question. To your good point, we have long been pursuing the transition and greater orientation towards value over volume. And we're doing it in a couple of ways. First, trying to get an increasing amount of spend under value-based constructs. But then, importantly, second, working to make sure that spend migrates towards managing the health of a population vs. just individual quality metrics.

So as you think about each of those components on the amount overall, today we have about $69B in value-based constructs that represents a little under half of our total medical surgical spend. And we had set a goal to get to $65B, and we got there early. So we've reset our sights towards $75B by 2020. So we'll continue to progress the total volume of spend that comes under value-based constructs.

And then, inside that, we've been very successful in that migration towards a population orientation. If you look at where that sits today, about half of our value-based spend is in the more progressive relationships that orient around population outcomes. And that's up from about 38%, 39% if we look just five years ago. And so we've got a lot of focus on deepening those partnerships. Some of our more progressive relationships are actually with our ACO partners, and in those relationships, we work to share data, share insights, drive better coordination, close gaps and care for people.

And as you look at that, we've had some very successful outcomes with our ACO partners. In total, we've got about a thousand ACOs under way, and as you look at it across Medicare, Medicaid, and commercial, we're able to drive less inpatient stays, lower readmission rates, more primary care, less ER and more preventative screening. So overall, we're pleased with our progress there, and we continue to do more work, and we'll look to build on it in the future.

<A - David Scott Wichmann>: And I think you know Andrew Hayek and his team in OptumCare in particular are enabling all this by putting the infrastructure in local markets from primary care through development of ambulatory care systems to enable the other side of that coin, if you will, that Dan has just described. So having heard from Andrew, I think we'll just go to Eric Murphy for some comments on the OptumIT side.

<A - Eric Murphy>: Yeah, thanks, Dave. And thanks for the question, Michael. Just piggy-backing up on what Dan Schumacher shared is payers and providers continue to shift from fee-for-service to value-based care arrangements. OptumInsight offers the market what we refer to as a plan-build model.

On the plan side, we've got one of the largest advisor consulting services organizations in the health care industry where a number of our subject matter experts assist payers and providers with how to build those arrangements so they can move from fee-for-service to value-based care.

On the build side, we have Optum performance analytics which we've talked about many times on this call in the past. It is one of the market-leading platforms to enable payers and providers to not only establish risk-based relationships but really manage both the cost and quality of care. So we see a continued shift in the marketplace from fee-for-service to value-based care, and feel very strong about the enablement capabilities of OptumInsight.

<Q - Zachary Sopcak>: I wanted to ask on your experience now at point of sale rebates. I think it was about six months ago that you announced that you were going to do it for 2019 for your risk book. How have those clients been taking it? Are they understanding what has to be done to convert to that? And have you seen any increased interest in your fee-based book in going to point of sale rebates for 2019?

<A - David Scott Wichmann>: Thanks for the question, Zack. It's obviously a very timely one as well given all the news around this. We did back in March – the beginning of March this year, make a decision for the 7mm to 8mm people that are in our fully insured employer based business to convert them to a point of sale rebate format. So, I'll ask Dan Schumacher to comment on that and then, John Prince, if you have any observations about how the market is adopting these ideals as well, I'd appreciate it. Dan?

<A - Dan Schumacher>: Good morning, Zack. So we did, as Dave mentioned, we announced our change in – earlier this year, and that actually goes into effect beginning January 1, 2019 for all new and renewing groups forward in our fully insured group portfolio. So at this point, it's coming up on January 1, 2019 where we'll see that roll into place.

And the reaction from our customer base and the broker community has been strong. I think it adds a level of transparency to consumers and helps to return the economic incentive associated with the rebates to them at the point of sale, and that's particularly important when people are in high deductible offerings where they're sharing the first dollar burden of health care more broadly.

As it relates to our self-funded client base, we continue to see more interest in that offering and obviously they're trying to think about how it all balances out in the context of how they set their contribution strategy, their benefit strategy that underpins that, but we have seen some more interest. We've seen some take-up in sales. And I'll see if John Prince would offer anything from his perspective.

<A - John Prince>: Sure, Dan. Thanks. This is John Prince. In terms of the broader market, we've seen good uptake. We've been doing this in the market for several years in terms of our large sophisticated clients. We've seen a real sea change this past year with first with UnitedHealthcare doing their fully insured book. We have an additional million lives that are picking up in the self-insured market. We've also have additional health plan clients that are going to adopt it later in 2019, 2020.

In terms of a consumer experience, we're seeing a value – about $150 of value delivered back to an individual consumer when they have a point of sale rebate. So specifically on the high deductible health plan, there is a lot of value from a consumer experience of doing point of sale rebates, but overall, very solid uptake.

<Q - A.J. Rice>: I might take a minute to ask you about your MLR trend in the quarter. You were 81%, that was better than we were thinking, and I think better than the consensus. A couple of moving parts there, I guess, I'd be interested to hear your comment on first, if there's any way to flush out a little bit more granularity between the business lines and what you saw in MLR, whether one particularly outperformed, or was there any area where you had any issues.

And then second, I guess, in that, we knew that you would not have probably as strong a development as you had last year, but we didn't really assume that you'd have actually the negative of development you had related to 2017. Any comment on that?

And then I think finally on this MLR trend impact, I think last quarter you highlighted that we should be aware that Latin America, particularly Biomedica, have a negative MLR impact in the second and third quarter because of the winter. And it's hard to see that in the combined results. I wonder if that played out like you expected, or did you have some unusual favorable trend down there?

<A - David Scott Wichmann>: Thanks, A.J. All good questions. In the interest of time, it's just a seasonal adjustment in South America. And so, they're moving into the spring and summer months now. So we'll definitely see that as we move into Q4 and into Q1. John Rex, would you like to comment on our performance on MLR and development?

<A - John Franklin Rex>: Good morning, A.J. John Rex here. Yeah, just a few comments on that. So I'm going to try to pick up the various components there and hopefully we'll hit on them all. One element I heard you refer to was development in the quarter. So net $50mm of favorable development in the quarter, and within that we talked about $120mm of that being in-year and $70mm of that relating to prior years. Nothing really significant within those prior-year components, I would tell you.

The way we look at that, that's roughly on $130B of medical spend from 2017. So very, very modest within the scheme of things. There's always different quarters in the year. You get coordination of benefits impact, you get other little impacts that come in. But within the scheme of our medical spend, it's about 0.05%. So relatively modest, if I look back over the past few years. So $70mm this year, it was $110mm favorable in 2017, it was $110mm unfavorable in 2016. Very small amount that rolled through there and nothing that's significant that I'd point out.

In terms of across the lines of business, also nothing really meaningful to point out across the different lines. If I were to bias it just a little bit, I'd bias it just slightly to the employer-based businesses in terms of where some of that development was occurring in the course of the quarter.

You probably heard me comment during my prepared comments that we are biasing our trend outlook in commercial down a bit. And within that, in terms of trend, we continue to see really what's driving most of trend still is unit cost as the main driver vs. utilization. And if I were to break down the components in terms of what we're seeing vs. what we staked out back in November in terms of the individual trend components, I'd characterize it probably pharmacy and inpatient are coming into the low end of the expected ranges that we provided at that time.

<A - David Scott Wichmann>: Hoping that was responsive A.J.

<Q - Stephen Tanal>: Maybe just to follow-up on that, just on the commercial side. I guess, first, it sort of sounds as though medical cost trend may have decelerated during the quarter. Is that a fair read? And if so, can you comment on sort of where you're seeing the change in the second derivative, if not, for the buckets you just sort of listed?

And then, would also just benefit on any preliminary comments on how the 2019 selling season is shaping up in the commercial book? And maybe a little bit of your outlook for the cost trend as well as really the cost trend on the forward?

<A - John Franklin Rex>: Okay. Stephen, John Rex here again. So, yeah, with regard to the buckets is I think is what you're asking in terms of trend, the components where we've seen against our initial expectations we laid out back in November were really pharmacy and inpatient in terms of coming at the lower end of the range.

As it relates to inpatient, it's been a very long-term decline in inpatient. I think we've had nine years or so of declining inpatient utilization, so that has been a long-term trend. But both those components were the buckets where we'd seen the lower end of the range and where we're seeing some deceleration.

And I don't think we're in any particular different place on trend and MLR this quarter vs. where we were last. There's no watershed moment that occurred in Q3. I think it's intensely consistent in terms of overall performance, as well as we look at how we select our reserves and the development that comes as a result. Dan, do you want to pick up the last piece?

<A - Dan Schumacher>: Thanks, Steve. I think you asked about how the 2019 selling season was shaping up, and I assume that that orients towards the self-funded marketplace just given where we sit in the year. And I think I'll break that into a couple of pieces.

As it relates to, first, the national accounts market segment, as I have shared for the last couple of quarters, the theme there is really, one, around incumbency. We've done well to win when given the opportunity, but the reality is we do have a larger base that we're defending inside that. We were successful again this year in converting our retirees to

group Medicare offerings. Obviously, those are a strong value for clients and consumers, as well as for our enterprise.

So for the self-funded portion of the national account segment, we do expect enrollment to decline in 2019. And our team is really focused on, as Dave mentioned, redoubling our efforts around total cost of care and, importantly, our effectiveness in demonstrating that clearly to clients and consultants.

As you look at the broader self-funded market, we continue to perform very well in the middle market segment, so clients with employees up to 3,000. And our public sector performance has seen some very nice improvement for 2019, including some large wins.

So when we put that all together and look at the self-funded market overall, we expect some very strong y-over-y improvement; and that should result in a modest growth profile in 2019. And we look forward to breaking apart the pieces and discussing it further at the Investor Conference in November.

<A - David Scott Wichmann>: Thank you, Steve. We have several calls left in the queue, and I'd like to see if we can get through this in the next 15 minutes or so. So we're going to go ahead and take the next question, but you'll probably hear us tighten up our responses a bit here. Next question, please.

<Q - Ralph Giacobbe>: I just want to get a little more clarification on the HIF. Seemingly, you've priced it through to customers and obviously the tax benefit came after. So is sort of the mindset that you have to – can you expect to sort of pay it back in 2019? Is that why it might not be the sort of magnitude of tailwind we initially thought? Or help us think through that. Thanks.

<A - David Scott Wichmann>: John Rex?

<A - John Franklin Rex>: Yeah, Ralph. So in terms of – you're focusing on the 2019 aspect or – my comments were specifically related to 2018 and the impact that the reduction in taxes and the corporate tax rate had.

<Q - Ralph Giacobbe>: Yeah, exactly. So that benefited to you essentially in 2018 vs. when you price the book. So in 2019, are customers asking for that back? Or how do we think that through?

<A - John Franklin Rex>: So that was a significant headwind, and that was part of what came into our earnings outlook when we revised earnings in January, right? So that was a meaningful part of that. And then, we did not have to then price on renewing books – have to price that in to any renewing books that were coming on at that point. So significant benefit for our customers in terms of how we approach the market and how we're able to pass on that benefit to our customers.

Certainly that's also a benefit that our customers are receiving in 2019 because of the absence of the HIF. And we would hope to also have that benefit as we move into future years. As Dave pointed out, kind of the mere existence of the health insurance tax is a headwind for health care costs. So, we look for that to accrue to our customers.

<Q - Lance Arthur Wilkes>: Yeah, I've got just a question on the PBM. And it's kind of three short points, but very tight. Don't worry. First one is just if you could talk a little bit about the mail penetration rate and how you're doing with specialty steerage there? How that contrasts with prior years? I guess related to that, how you're thinking about e-commerce and potentially adding online pharmacy options like Amazon? And then within the context of that, if you want to talk a little bit about PBM sales for 2019, both direct and the cross sales for the large self-funded groups. Thanks.

<A - David Scott Wichmann>: Thank you. I will direct it straight to John Prince.

<A - John Prince>: Great, Lance. John Prince. I'll cover the selling season first we've had. We're just wrapping up the 2019 selling season. If you look at the season, we had additional RFP volume, so it was up y-over-y. In terms of clients sold, we've actually sold more clients in 2019 for our business than we did in 2018 selling season. So we have additional clients y-over-y, just in line with our expectations.

So we're excited about our sales. We have had a couple of good state wins, a couple new health plans, unions, and as well as a couple large employers. Retention is also very solid as we look into 2019. We're going to have retention of

98% or higher as we go into 2019, which is three years in a row of solid retention.

In terms of the other part of your question which is mail penetration specialty and e-commerce, that has really been the driver of our growth over the last year as we have been increasing our mail penetration, driving additional specialty volume. We have been very successful in winning the open market. Remember, the biggest volume of business in specialty and infusion is open sourced in terms of competing in the market. We've done a great job of getting the sales force out there, competing with a great product, solid NPS from a consumer standpoint and from a physician standpoint, and we're just winning better day in, day out in terms of the market and that's been driving our growth.

<Q - Michael Newshel>: We've seen a few recent data points suggesting that the trend toward high deductible plans in the employer business may be flowing or even peaking. Is that something you're seeing? And do you think there is a certain point where employers have already exercised that high deductible option will look for new benefit design options? And what would that look like? Have you seen any pickup in interest in things like narrow or high value networks, medical and pharmacy integration, digital wellness tools, things like that?

<A - David Scott Wichmann>: You just hit upon all the – I think some of the primary growth drivers and what a lot of employers are looking for in health care. High deductible health plans have been one of the fastest growing product lines out there for some time now, having been first introduced back all the way into 2004, I guess it was or maybe 2003, maybe even earlier than that for that matter.

But the items you just pointed out are the same items that we also labeled in the script. Our work-around digital technologies, providing deeply personalized information to consumers, the way in which we drive value-based arrangements to connect incentives across both the continuum of care but also between health care consumers and health care providers is all – those are all essential parts of what employers are looking for.

They're also looking for tighter levels of integration too. And they're expecting that not only from our benefits business but they're also expecting it from our services business particularly as we get into health care delivery, and that's where the technical solutions and information solutions that OptumInsight offers to both OptumRx as well as to OptumHealth really deeply respond to the demands of that marketplace. And frankly they transcend employer into the Medicare and Medicaid market as well.

<Q - Charles Rhyee>: I wanted to follow up on earlier comments when you were talking about point of sale rebates. Just trying to get a sense on are you guys passing back 100% of rebates to the member at the point of sale, or is it maybe some portion of it. Because my understanding is there is some concerns perhaps from PBMs themselves, right, if you pass back 100%, the retailers can sort of backtrack into sort of what your rebate arrangements are like. Can you give us just a little bit more of the mechanics on how the process works?

And then related to that, as this market evolves in the PBM space, are you looking at – can you talk about what types of new pricing models you're exploring with clients, perhaps going more at risk on price in sort of a PMPM model? Thanks.

<A - David Scott Wichmann>: Dan, do you want to take the point of sale rebate piece? Because I believe that relates to UnitedHealthcare's efforts effective January 1, 2019 and what percentage of that gets passed back through which is the vast, vast majority of it sans a holdback for some of the work that we do as well. But anyway, anything further to add to that, Dan?

<A - Dan Schumacher>: No.

<A - David Scott Wichmann>: Okay. Great. Thanks. Sorry to drain that for you. John Prince? Do you want to comment on the second part?

<A - John Prince>: Sure. Thank you for the question, Charles about the new pricing models. We've been out in the market talking about total cost of care for several years which has really resonated in the market. Clients have been interested in how we can guarantee that. So we've had models in the market for about two years of total cost of care guarantees. So if they look at and work with us around medical behavioral pharma, around what additional value we can deliver.

Another model we've been in the market with is also around a trend guarantee around pharmacy. And so we have a variety of models that we've been partnering with our more leading-edge clients to develop a solution and deliver that value.

<Q - Gary P. Taylor>: I wanted to ask about something I thought was fairly significant in the prepared comments and wanted to flesh out a little bit. But you had talked about the fully portable electronic health record soon to be released at scale. I know you've talked about that as an ambition on the Rally chassis, I believe. But my two questions would be when – and when you say at scale, what lines of business and what parts of the country are we talking about? And then, just the last piece. Just give us a little bit on the technology. So if I roll in with my Rally EHR and my provider's on Cerner, Epic or athena, how do they actually interface with this portable medical record that I'm coming in with? Thank you.

<A - David Scott Wichmann>: That's a great question, Gary. And thank you for it. As outlined in our November 2017 conference, we had the ambition by the end of 2019 to develop individual health records for the 50mm fully benefited members that we serve. We would use the Rally chassis, which as indicated, now has 20mm registered users to provide individuals in a way which they can comprehend a tool, if you will, not only outlining their individual health record but also giving them next best action detail.

That's what I mean by, when I say it's deeply personalized, it's organized around them, not based upon generic criteria. It also assesses to what extent that they've been and how they've been served by the health system broadly and whether or not there's been any gaps in care that have been left behind.

Our ambitions are also to take that to care providers to provide them with similar information, but in a format that looks a little bit more like their EHR. So and again, would include next best action as well. And so that would be provided to the physician in the workflow of the physician's office.

And you might imagine what that could ultimately lead to in terms of continuing to develop a transaction flow between the physician and us and the consumer and us, as us being the custodian to try to drive better health outcomes for people but also ensure that the highest level quality is adhered to, quality defined by evidence-based practices, and then also containing costs. And eventually, to incent the health system around responding to those deeply personal circumstances and situations.

So we believe it to be pretty transformative across our business. It's something that we'll update you again here this coming November at our investor conference and we look forward to doing so. Thank you for the question. Next question, please.

<Q - Peter Heinz Costa>: Just looking at your performance, it's really quite strong in a number of areas. And it makes you wonder, when you look at the not for profit Blue Cross and Blue Shield plans, their performance seems to have improved as well. And one of the few places where you have some weakness is where they are the biggest competitors, and that's in terms of the national account business. Do you think that's a sign that the health insurance cycle is starting to turn over at this point? Or is the health insurance cycle dead at this point?

<A - David Scott Wichmann>: I don't know that I'd be willing to make any projections on the cycle overall. All I can say is that our business in a very multidimensional way, both on health care benefits and services, is seeking to compete on multiple fronts, really driving – or accessing the strengths of the organization around its ability to take information and apply technology. And then in local markets organize clinical delivery systems to drive better outcomes, lower total cost of care and greater consumer satisfaction. You see that measured pretty consistently across the board of our organization.

My only regret sometimes is whether or not we can do that faster and to have an even greater impact and that is what our deep intention is. I do think that our momentum around our competitiveness continues to accelerate, and as a result I think you continue to see the broad-based results that are indicated in this release and also in the ambitions that we have for 2019 and beyond.

It takes a lot of thought to make a commitment around a 13% to 16% long-term growth rate and to step out in 2019 the way that we have. And – but we're highly confident. This is a highly engaged management team. They are confident in their abilities to deliver those kinds of results consistently, and our aim is to do so both to serve society as well as each and every one of our shareholders.

So thank you for the question. We'll take one more question and then we'll be done.

<Q - Ana Gupte>: Wanted to follow up on your commentary about 2019 then pivoting to growth in self-funded in 2020, and any thoughts on the recent news flow about employers going direct to providers, doing their own member engagements and so on? And is there anything you're doing to improve NPS scores there? And what's driving the possible growth in 2020?

<A - David Scott Wichmann>: Ana, that's a good question. Our NPS scores with large employers are very strong, and they continue to advance nicely y-over-y as well. As it relates to specific arrangements that employers may want to pursue in individual markets, we of course enable that. We're not biased by any particular format. They're our customers and we aim to serve their needs. And so we do assist in enabling that as well as a number of other features that may exist in their benefit design and service composition.

So we're an adaptable company. Our goal is to serve, serve people, serve consumers, and also serve health systems broadly, and I think that shows up in some of the most prolific ways in the large employer market.

David Scott Wichmann

Closing Remarks

If I can then, I will close and sum up our comments today

UnitedHealth Group, Optum and UnitedHealthcare are driven by a single mission:

We are actively and persistently engaged in helping to transform health care to make higher quality care more accessible to people, more simply and affordably in the U.S. and worldwide

- We expect to continue to build on this year's strong momentum through the end of 2018 into 2019 and well beyond

But we never take our forward advance for granted

Every day, the people of this enterprise are committed to serving individuals and local communities, one person, one system at a time, with true compassion, high quality and innovative performance

- We look forward to sharing much more with you during our annual investor conference on November 27.