

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED March 31, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File Number: 1-10864

UNITEDHEALTH GROUP

UnitedHealth Group Incorporated
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization) UnitedHealth Group Center 9900 Bren Road East Minnetonka, Minnesota (Address of principal executive offices) (952) 936-1300 (Registrant's telephone number, including area code)	41-1321939 (I.R.S. Employer Identification No.) 55343 (Zip Code)
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Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$.01 par value	UNH	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
Smaller reporting company	<input type="checkbox"/>			Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 28, 2023, there were 931,032,030 shares of the registrant's Common Stock, \$.01 par value per share, issued and outstanding.

UNITEDHEALTH GROUP

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ITEM 1. FINANCIAL STATEMENTS

PART I
UnitedHealth Group
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions, except per share data)	March 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 41,913	\$ 23,365
Short-term investments	4,584	4,546
Accounts receivable, net	22,414	17,681
Other current receivables, net	14,696	12,769
Assets under management	3,837	4,087
Prepaid expenses and other current assets	6,451	6,621
Total current assets	93,895	69,069
Long-term investments	46,884	43,728
Property, equipment and capitalized software, net	10,637	10,128
Goodwill	100,406	93,352
Other intangible assets, net	16,165	14,401
Other assets	15,692	15,027
Total assets	\$ 283,679	\$ 245,705
Liabilities, redeemable noncontrolling interests and equity		
Current liabilities:		
Medical costs payable	\$ 31,809	\$ 29,056
Accounts payable and accrued liabilities	29,856	27,715
Short-term borrowings and current maturities of long-term debt	9,931	3,110
Unearned revenues	14,487	3,075
Other current liabilities	30,399	26,281
Total current liabilities	116,482	89,237
Long-term debt, less current maturities	60,657	54,513
Deferred income taxes	2,834	2,769
Other liabilities	13,084	12,839
Total liabilities	193,057	159,358
Commitments and contingencies (Note 6)		
Redeemable noncontrolling interests	4,801	4,897
Equity:		
Preferred stock, \$0.001 par value - 10 shares authorized; no shares issued or outstanding	—	—
Common stock, \$0.01 par value - 3,000 shares authorized; 932 and 934 issued and outstanding	9	9
Retained earnings	88,852	86,156
Accumulated other comprehensive loss	(7,549)	(8,393)
Nonredeemable noncontrolling interests	4,509	3,678
Total equity	85,821	81,450
Total liabilities, redeemable noncontrolling interests and equity	\$ 283,679	\$ 245,705

See [Notes to the Condensed Consolidated Financial Statements](#)

UnitedHealth Group
Condensed Consolidated Statements of Operations
(Unaudited)

(in millions, except per share data)	Three Months Ended March 31,	
	2023	2022
Revenues:		
Premiums	\$ 72,786	\$ 64,070
Products	10,267	9,340
Services	8,080	6,372
Investment and other income	798	367
Total revenues	91,931	80,149
Operating costs:		
Medical costs	59,845	52,523
Operating costs	13,625	11,401
Cost of products sold	9,405	8,487
Depreciation and amortization	970	788
Total operating costs	83,845	73,199
Earnings from operations	8,086	6,950
Interest expense	(754)	(433)
Earnings before income taxes	7,332	6,517
Provision for income taxes	(1,558)	(1,369)
Net earnings	5,774	5,148
Earnings attributable to noncontrolling interests	(163)	(121)
Net earnings attributable to UnitedHealth Group common shareholders	\$ 5,611	\$ 5,027
Earnings per share attributable to UnitedHealth Group common shareholders:		
Basic	\$ 6.01	\$ 5.34
Diluted	\$ 5.95	\$ 5.27
Basic weighted-average number of common shares outstanding	933	941
Dilutive effect of common share equivalents	10	13
Diluted weighted-average number of common shares outstanding	943	954
Anti-dilutive shares excluded from the calculation of dilutive effect of common share equivalents	5	2

See [Notes to the Condensed Consolidated Financial Statements](#)

UnitedHealth Group
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

(in millions)	Three Months Ended March 31,	
	2023	2022
Net earnings	\$ 5,774	\$ 5,148
Other comprehensive income (loss):		
Gross unrealized gains (losses) on investment securities during the period	640	(2,023)
Income tax effect	(147)	465
Total unrealized gains (losses), net of tax	493	(1,558)
Gross reclassification adjustment for net realized losses (gains) included in net earnings	13	(3)
Income tax effect	(3)	1
Total reclassification adjustment, net of tax	10	(2)
Total foreign currency translation gains	341	918
Other comprehensive income (loss)	844	(642)
Comprehensive income	6,618	4,506
Comprehensive income attributable to noncontrolling interests	(163)	(121)
Comprehensive income attributable to UnitedHealth Group common shareholders	\$ 6,455	\$ 4,385

See [Notes to the Condensed Consolidated Financial Statements](#)

UnitedHealth Group
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Common Stock				Accumulated Other Comprehensive (Loss) Income				
Three months ended March 31, (in millions)	Shares	Amount	Additional Paid-In Capital	Retained Earnings	Net Unrealized (Losses) Gains on Investments	Foreign Currency Translation (Losses) Gains	Nonredeemable Noncontrolling Interests	Total Equity	
Balance at January 1, 2023	934	\$ 9	\$ —	\$ 86,156	\$ (2,778)	\$ (5,615)	\$ 3,678	\$ 81,450	
Net earnings				5,611			113	5,724	
Other comprehensive income					503	341		844	
Issuances of common stock, and related tax effects	2	—	350					350	
Share-based compensation			366					366	
Common share repurchases	(4)	—	(633)	(1,378)				(2,011)	
Cash dividends paid on common shares (\$1.65 per share)				(1,537)				(1,537)	
Redeemable noncontrolling interests fair value and other adjustments			(83)					(83)	
Acquisition and other adjustments of nonredeemable noncontrolling interests							819	819	
Distribution to nonredeemable noncontrolling interests							(101)	(101)	
Balance at March 31, 2023	932	\$ 9	\$ —	\$ 88,852	\$ (2,275)	\$ (5,274)	\$ 4,509	\$ 85,821	
Balance at January 1, 2022	941	\$ 10	\$ —	\$ 77,134	\$ 423	\$ (5,807)	\$ 3,285	\$ 75,045	
Net earnings				5,027			88	5,115	
Other comprehensive (loss) income					(1,560)	918		(642)	
Issuances of common stock, and related tax effects	3	—	333					333	
Share-based compensation			282					282	
Common share repurchases	(5)	—	(484)	(2,016)				(2,500)	
Cash dividends paid on common shares (\$1.45 per share)				(1,363)				(1,363)	
Redeemable noncontrolling interests fair value and other adjustments			(131)					(131)	
Acquisition and other adjustments of nonredeemable noncontrolling interests							91	91	
Distribution to nonredeemable noncontrolling interests							(102)	(102)	
Balance at March 31, 2022	939	\$ 10	\$ —	\$ 78,782	\$ (1,137)	\$ (4,889)	\$ 3,362	\$ 76,128	

See [Notes to the Condensed Consolidated Financial Statements](#)

UnitedHealth Group
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Three Months Ended March 31,	
	2023	2022
Operating activities		
Net earnings	\$ 5,774	\$ 5,148
Noncash items:		
Depreciation and amortization	970	788
Deferred income taxes	(332)	161
Share-based compensation	362	299
Other, net	69	17
Net change in other operating items, net of effects from acquisitions and changes in AARP balances:		
Accounts receivable	(4,306)	(4,521)
Other assets	(1,875)	(1,089)
Medical costs payable	2,467	3,849
Accounts payable and other liabilities	1,796	589
Unearned revenues	11,402	78
Cash flows from operating activities	16,327	5,319
Investing activities		
Purchases of investments	(4,894)	(4,982)
Sales of investments	456	1,591
Maturities of investments	2,119	1,759
Cash paid for acquisitions, net of cash assumed	(7,826)	(1,231)
Purchases of property, equipment and capitalized software	(760)	(555)
Other, net	(115)	(255)
Cash flows used for investing activities	(11,020)	(3,673)
Financing activities		
Common share repurchases	(2,000)	(2,500)
Cash dividends paid	(1,537)	(1,363)
Proceeds from common stock issuances	344	551
Repayments of long-term debt	(1,375)	(1,100)
Proceeds from short-term borrowings, net	7,349	3,148
Proceeds from issuance of long-term debt	6,401	—
Customer funds administered	5,012	5,120
Other, net	(1,004)	(1,552)
Cash flows from financing activities	13,190	2,304
Effect of exchange rate changes on cash and cash equivalents	51	157
Increase in cash and cash equivalents	18,548	4,107
Cash and cash equivalents, beginning of period	23,365	21,375
Cash and cash equivalents, end of period	\$ 41,913	\$ 25,482

See [Notes to the Condensed Consolidated Financial Statements](#)

UnitedHealth Group
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation

UnitedHealth Group Incorporated (individually and together with its subsidiaries, “UnitedHealth Group” and the “Company”) is a health care and well-being company with a mission to help people live healthier lives and help make the health system work better for everyone. Our two distinct, yet complementary business platforms — Optum and UnitedHealthcare — are working to help build a modern, high-performing health system through improved access, affordability, outcomes and experiences for the individuals and organizations the Company is privileged to serve.

The Company has prepared the Condensed Consolidated Financial Statements according to U.S. Generally Accepted Accounting Principles (GAAP) and has included the accounts of UnitedHealth Group and its subsidiaries. The year-end condensed consolidated balance sheet was derived from audited financial statements, but does not include all disclosures required by GAAP. In accordance with the rules and regulations of the U.S. Securities and Exchange Commission (SEC), the Company has omitted certain footnote disclosures that would substantially duplicate the disclosures contained in its annual audited Consolidated Financial Statements. Therefore, these Condensed Consolidated Financial Statements should be read together with the Consolidated Financial Statements and the Notes included in Part II, Item 8, “Financial Statements and Supplementary Data” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 as filed with the SEC (2022 10-K). The accompanying Condensed Consolidated Financial Statements include all normal recurring adjustments necessary to present the interim financial statements fairly.

Use of Estimates

These Condensed Consolidated Financial Statements include certain amounts based on the Company’s best estimates and judgments. The Company’s most significant estimates relate to estimates and judgments for medical costs payable and goodwill. Certain of these estimates require the application of complex assumptions and judgments, often because they involve matters that are inherently uncertain and will likely change in subsequent periods. The impact of any change in estimates is included in earnings in the period in which the estimate is adjusted.

Revenues - Products and Services

As of March 31, 2023 and December 31, 2022, accounts receivable related to products and services were \$8.1 billion and \$7.1 billion, respectively. Revenue expected to be recognized in any future year related to remaining performance obligations, excluding revenue pertaining to contracting having an original expected duration of one year or less, contracts where revenue recognized as invoiced and contracts with variable consideration related undelivered performance obligations, was \$12.3 billion, of which approximately half is expected to be recognized in the next three years.

2. Investments

A summary of debt securities by major security type is as follows:

(in millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
March 31, 2023				
Debt securities - available-for-sale:				
U.S. government and agency obligations	\$ 4,760	\$ 5	\$ (236)	\$ 4,529
State and municipal obligations	8,055	65	(365)	7,755
Corporate obligations	24,149	59	(1,525)	22,683
U.S. agency mortgage-backed securities	8,213	35	(708)	7,540
Non-U.S. agency mortgage-backed securities	3,156	1	(283)	2,874
Total debt securities - available-for-sale	48,333	165	(3,117)	45,381
Debt securities - held-to-maturity:				
U.S. government and agency obligations	594	—	(10)	584
State and municipal obligations	28	—	(3)	25
Corporate obligations	60	—	—	60
Total debt securities - held-to-maturity	682	—	(13)	669
Total debt securities	\$ 49,015	\$ 165	\$ (3,130)	\$ 46,050
December 31, 2022				
Debt securities - available-for-sale:				
U.S. government and agency obligations	\$ 4,093	\$ 1	\$ (285)	\$ 3,809
State and municipal obligations	7,702	25	(479)	7,248
Corporate obligations	23,675	17	(1,798)	21,894
U.S. agency mortgage-backed securities	7,379	15	(808)	6,586
Non-U.S. agency mortgage-backed securities	3,077	1	(294)	2,784
Total debt securities - available-for-sale	45,926	59	(3,664)	42,321
Debt securities - held-to-maturity:				
U.S. government and agency obligations	578	—	(14)	564
State and municipal obligations	29	—	(3)	26
Corporate obligations	89	—	—	89
Total debt securities - held-to-maturity	696	—	(17)	679
Total debt securities	\$ 46,622	\$ 59	\$ (3,681)	\$ 43,000

The Company held \$3.9 billion and \$3.7 billion of equity securities as of March 31, 2023 and December 31, 2022, respectively. The Company's investments in equity securities primarily consist of employee savings plan related investments, venture investments and shares of Brazilian real denominated fixed-income funds with readily determinable fair values. Additionally, the Company's investments included \$1.5 billion of equity method investments in operating businesses in the health care sector as of March 31, 2023 and December 31, 2022. The allowance for credit losses on held-to-maturity securities at March 31, 2023 and December 31, 2022 was not material.

The amortized cost and fair value of debt securities as of March 31, 2023, by contractual maturity, were as follows:

(in millions)	Available-for-Sale		Held-to-Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 4,722	\$ 4,691	\$ 377	\$ 376
Due after one year through five years	14,356	13,708	261	254
Due after five years through ten years	12,240	11,217	24	22
Due after ten years	5,646	5,351	20	17
U.S. agency mortgage-backed securities	8,213	7,540	—	—
Non-U.S. agency mortgage-backed securities	3,156	2,874	—	—
Total debt securities	<u>\$ 48,333</u>	<u>\$ 45,381</u>	<u>\$ 682</u>	<u>\$ 669</u>

The fair value of available-for-sale debt securities with gross unrealized losses by major security type and length of time that individual securities have been in a continuous unrealized loss position were as follows:

(in millions)	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
March 31, 2023						
Debt securities - available-for-sale:						
U.S. government and agency obligations	\$ 1,279	\$ (12)	\$ 1,825	\$ (224)	\$ 3,104	\$ (236)
State and municipal obligations	1,898	(30)	3,110	(335)	5,008	(365)
Corporate obligations	6,337	(178)	12,443	(1,347)	18,780	(1,525)
U.S. agency mortgage-backed securities	1,589	(55)	4,274	(653)	5,863	(708)
Non-U.S. agency mortgage-backed securities	783	(26)	1,989	(257)	2,772	(283)
Total debt securities - available-for-sale	<u>\$ 11,886</u>	<u>\$ (301)</u>	<u>\$ 23,641</u>	<u>\$ (2,816)</u>	<u>\$ 35,527</u>	<u>\$ (3,117)</u>
December 31, 2022						
Debt securities - available-for-sale:						
U.S. government and agency obligations	\$ 2,007	\$ (96)	\$ 1,290	\$ (189)	\$ 3,297	\$ (285)
State and municipal obligations	4,630	(288)	1,178	(191)	5,808	(479)
Corporate obligations	13,003	(893)	6,637	(905)	19,640	(1,798)
U.S. agency mortgage-backed securities	3,561	(345)	2,239	(463)	5,800	(808)
Non-U.S. agency mortgage-backed securities	1,698	(128)	976	(166)	2,674	(294)
Total debt securities - available-for-sale	<u>\$ 24,899</u>	<u>\$ (1,750)</u>	<u>\$ 12,320</u>	<u>\$ (1,914)</u>	<u>\$ 37,219</u>	<u>\$ (3,664)</u>

The Company's unrealized losses from debt securities as of March 31, 2023 were generated from approximately 32,000 positions out of a total of 42,000 positions. The Company believes that it will collect the timely principal and interest due on its debt securities that have an amortized cost in excess of fair value. The unrealized losses were primarily caused by interest rate increases and not by unfavorable changes in the credit quality associated with these securities which impacted the Company's assessment on collectability of principal and interest. At each reporting period, the Company evaluates available-for-sale debt securities for any credit-related impairment when the fair value of the investment is less than its amortized cost. The Company evaluated the expected cash flows, the underlying credit quality and credit ratings of the issuers noting no significant credit deterioration since purchase. As of March 31, 2023, the Company did not have the intent to sell any of the available-for-sale debt securities in an unrealized loss position. Therefore, the Company believes these losses to be temporary. The allowance for credit losses on available-for-sale debt securities at March 31, 2023 and December 31, 2022 was not material.

3. Fair Value

Certain assets and liabilities are measured at fair value in the Condensed Consolidated Financial Statements or have fair values disclosed in the Notes to the Condensed Consolidated Financial Statements. These assets and liabilities are classified into one of three levels of a hierarchy defined by GAAP.

For a description of the methods and assumptions that are used to estimate the fair value and determine the fair value hierarchy classification of each class of financial instrument, see Note 4 of Notes to the Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in the 2022 10-K.

The following table presents a summary of fair value measurements by level and carrying values for items measured at fair value on a recurring basis in the Condensed Consolidated Balance Sheets:

(in millions)	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Fair and Carrying Value
March 31, 2023				
Cash and cash equivalents	\$ 41,851	\$ 62	\$ —	\$ 41,913
Debt securities - available-for-sale:				
U.S. government and agency obligations	4,122	407	—	4,529
State and municipal obligations	—	7,755	—	7,755
Corporate obligations	16	22,486	181	22,683
U.S. agency mortgage-backed securities	—	7,540	—	7,540
Non-U.S. agency mortgage-backed securities	—	2,874	—	2,874
Total debt securities - available-for-sale	4,138	41,062	181	45,381
Equity securities	2,128	35	70	2,233
Assets under management	1,491	2,245	101	3,837
Total assets at fair value	\$ 49,608	\$ 43,404	\$ 352	\$ 93,364
Percentage of total assets at fair value	53 %	46 %	1 %	100 %
December 31, 2022				
Cash and cash equivalents	\$ 23,202	\$ 163	\$ —	\$ 23,365
Debt securities - available-for-sale:				
U.S. government and agency obligations	3,505	304	—	3,809
State and municipal obligations	—	7,248	—	7,248
Corporate obligations	7	21,695	192	21,894
U.S. agency mortgage-backed securities	—	6,586	—	6,586
Non-U.S. agency mortgage-backed securities	—	2,784	—	2,784
Total debt securities - available-for-sale	3,512	38,617	192	42,321
Equity securities	2,043	35	70	2,148
Assets under management	1,788	2,203	96	4,087
Total assets at fair value	\$ 30,545	\$ 41,018	\$ 358	\$ 71,921
Percentage of total assets at fair value	42 %	57 %	1 %	100 %

There were no transfers in or out of Level 3 financial assets or liabilities during the three months ended March 31, 2023 or 2022.

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The following table presents a summary of fair value measurements by level and carrying values for certain financial instruments not measured at fair value on a recurring basis in the Condensed Consolidated Balance Sheets:

(in millions)	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Fair Value	Total Carrying Value
March 31, 2023					
Debt securities - held-to-maturity	\$ 595	\$ 74	\$ —	\$ 669	\$ 682
Long-term debt and other financing obligations	\$ —	\$ 60,307	\$ —	\$ 60,307	\$ 62,360
December 31, 2022					
Debt securities - held-to-maturity	\$ 577	\$ 102	\$ —	\$ 679	\$ 696
Long-term debt and other financing obligations	\$ —	\$ 53,626	\$ —	\$ 53,626	\$ 56,823

Nonfinancial assets and liabilities or financial assets and liabilities that are measured at fair value on a nonrecurring basis are subject to fair value adjustments only in certain circumstances, such as when the Company records an impairment. There were no significant fair value adjustments for these assets and liabilities recorded during the three months ended March 31, 2023 or 2022.

4. Medical Costs Payable

The following table shows the components of the change in medical costs payable for the three months ended March 31:

(in millions)	2023	2022
Medical costs payable, beginning of period	\$ 29,056	\$ 24,483
Acquisitions	1	8
Reported medical costs:		
Current year	60,315	52,813
Prior years	(470)	(290)
Total reported medical costs	59,845	52,523
Medical payments:		
Payments for current year	(35,087)	(29,589)
Payments for prior years	(22,006)	(18,749)
Total medical payments	(57,093)	(48,338)
Medical costs payable, end of period	\$ 31,809	\$ 28,676

For the three months ended March 31, 2023 and 2022, prior years' medical cost reserve development included no individual factors that were significant. Medical costs payable included reserves for claims incurred by insured customers but not yet reported to the Company of \$21.7 billion and \$20.0 billion at March 31, 2023 and December 31, 2022, respectively.

5. Short-Term Borrowings and Long-Term Debt

In March 2023, the Company issued \$6.5 billion of senior unsecured notes consisting of the following:

(in millions, except percentages)	Par Value	
4.250% notes due January 2029	\$	1,250
4.500% notes due April 2033		1,500
5.050% notes due April 2053		2,000
5.200% notes due April 2063		1,750

As of March 31, 2023, the Company had \$8.2 billion of commercial paper outstanding, with a weighted-average annual interest rate of 5.2%.

For more information on the Company's short-term borrowings, debt covenants and long-term debt, see Note 8 of Notes to the Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in the 2022 10-K.

6. Commitments and Contingencies

Legal Matters

The Company is frequently made party to a variety of legal actions and regulatory inquiries, including class actions and suits brought by members, care providers, consumer advocacy organizations, customers and regulators, relating to the Company's businesses, including management and administration of health benefit plans and other services. These matters include medical malpractice, employment, intellectual property, antitrust, privacy and contract claims and claims related to health care benefits coverage and other business practices.

The Company records liabilities for its estimates of probable costs resulting from these matters where appropriate. Estimates of costs resulting from legal and regulatory matters involving the Company are inherently difficult to predict, particularly where the matters: involve indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or represent a shift in regulatory policy; involve a large number of claimants or regulatory bodies; are in the early stages of the proceedings; or could result in a change in business practices. Accordingly, the Company is often unable to estimate the losses or ranges of losses for those matters where there is a reasonable possibility or it is probable a loss may be incurred.

Government Investigations, Audits and Reviews

The Company has been involved or is currently involved in various governmental investigations, audits and reviews. These include routine, regular and special investigations, audits and reviews by the Centers for Medicare and Medicaid Services (CMS), state insurance and health and welfare departments, state attorneys general, the Office of the Inspector General, the Office of Personnel Management, the Office of Civil Rights, the Government Accountability Office, the Federal Trade Commission, U.S. Congressional committees, the U.S. Department of Justice (DOJ), the SEC, the Internal Revenue Service, the U.S. Drug Enforcement Administration, the U.S. Department of Labor, the Federal Deposit Insurance Corporation, the Consumer Financial Protection Bureau (CFPB), the Defense Contract Audit Agency and other governmental authorities. Similarly, our international businesses are also subject to investigations, audits and reviews by applicable foreign governments, including South American and other non-U.S. governmental authorities. Certain of the Company's businesses have been reviewed or are currently under review, including for, among other matters, compliance with coding and other requirements under the Medicare risk-adjustment model. CMS has selected certain of the Company's local plans for risk adjustment data validation (RADV) audits to validate the coding practices of and supporting documentation maintained by health care providers and such audits may result in retrospective adjustments to payments made to the Company's health plans.

On February 14, 2017, the DOJ announced its decision to pursue certain claims within a lawsuit initially asserted against the Company and filed under seal by a whistleblower in 2011. The whistleblower's complaint, which was unsealed on February 15, 2017, alleges the Company made improper risk adjustment submissions and violated the False Claims Act. On February 12, 2018, the court granted in part and denied in part the Company's motion to dismiss. In May 2018, the DOJ moved to dismiss the Company's counterclaims, which were filed in March 2018, and moved for partial summary judgment. In March 2019, the court denied the government's motion for partial summary judgment and dismissed the Company's counterclaims without prejudice. The Company cannot reasonably estimate the outcome which may result from this matter given its procedural status.

7. Business Combinations

During the three months ended March 31, 2023, the Company completed several business combinations for total consideration of \$8.0 billion.

Acquired assets (liabilities) at acquisition date were:

(in millions)

Cash and cash equivalents	\$	142
Accounts receivable and other current assets		530
Property, equipment and other long-term assets		659
Other intangible assets		2,141
Total identifiable assets acquired		3,472
Medical costs payable		(1)
Accounts payable and other current liabilities		(467)
Other long-term liabilities		(698)
Total identifiable liabilities acquired		(1,166)
Total net identifiable assets		2,306
Goodwill		6,646
Redeemable noncontrolling interests		(130)
Nonredeemable noncontrolling interests		(819)
Net assets acquired	\$	8,003

The majority of goodwill is not deductible for income tax purposes. The preliminary purchase price allocations for the various business combinations are subject to adjustment as valuation analyses, primarily related to intangible assets and contingent liabilities, are finalized.

The acquisition date fair values and weighted-average useful lives assigned to intangible assets were:

(in millions, except years)	Fair Value	Weighted-Average Useful Life
Acquired finite-lived intangible assets:		
Customer-related	\$ 234	13 years
Trademarks and technology	220	5 years
Other	10	11 years
Total acquired finite-lived intangible assets	464	9 years
Total acquired indefinite-lived intangible assets - operating licenses and certificates	1,677	
Total acquired intangible assets	\$ 2,141	

The results of operations and financial condition of acquired entities have been included in the Company's consolidated results and the results of the corresponding operating segment as of the date of acquisition. Through March 31, 2023, acquired entities impact on revenues and net earnings was not material.

Unaudited pro forma revenues and net earnings for the three months ended March 31, 2023 and 2022, as if the business combinations had occurred on January 1, 2022, were immaterial for both periods.

8. Segment Financial Information

The Company's four reportable segments are UnitedHealthcare, Optum Health, Optum Insight and Optum Rx. For more information on the Company's segments, see Part I, Item I, "Business" and Note 14 of Notes to the Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in the 2022 10-K. Total assets at Optum Health increased to \$80.4 billion as of March 31, 2023 compared to \$69.0 billion as of December 31, 2022, primarily due to goodwill from business combinations of \$5.9 billion.

The following tables present reportable segment financial information:

(in millions)	UnitedHealthcare	Optum					Corporate and Eliminations	Consolidated
		OptumHealth	OptumInsight	OptumRx	OptumEliminations	Optum		
Three Months Ended March 31, 2023								
Revenues - unaffiliated customers:								
Premiums	\$ 67,458	\$ 5,328	\$ —	\$ —	\$ —	\$ 5,328	\$ —	\$ 72,786
Products	—	44	40	10,183	—	10,267	—	10,267
Services	2,555	3,089	1,926	510	—	5,525	—	8,080
Total revenues - unaffiliated customers	70,013	8,461	1,966	10,693	—	21,120	—	91,133
Total revenues - affiliated customers	—	14,266	2,510	16,679	(859)	32,596	(32,596)	—
Investment and other income	455	277	20	46	—	343	—	798
Total revenues	\$ 70,468	\$ 23,004	\$ 4,496	\$ 27,418	\$ (859)	\$ 54,059	\$ (32,596)	\$ 91,931
Earnings from operations	\$ 4,343	\$ 1,776	\$ 907	\$ 1,060	\$ —	\$ 3,743	\$ —	\$ 8,086
Interest expense	—	—	—	—	—	—	(754)	(754)
Earnings before income taxes	\$ 4,343	\$ 1,776	\$ 907	\$ 1,060	\$ —	\$ 3,743	\$ (754)	\$ 7,332
Three Months Ended March 31, 2022								
Revenues - unaffiliated customers:								
Premiums	\$ 59,937	\$ 4,133	\$ —	\$ —	\$ —	\$ 4,133	\$ —	\$ 64,070
Products	—	6	40	9,294	—	9,340	—	9,340
Services	2,515	2,558	974	325	—	3,857	—	6,372
Total revenues - unaffiliated customers	62,452	6,697	1,014	9,619	—	17,330	—	79,782
Total revenues - affiliated customers	—	9,829	2,138	14,291	(553)	25,705	(25,705)	—
Investment and other income	143	156	67	1	—	224	—	367
Total revenues	\$ 62,595	\$ 16,682	\$ 3,219	\$ 23,911	\$ (553)	\$ 43,259	\$ (25,705)	\$ 80,149
Earnings from operations	\$ 3,798	\$ 1,366	\$ 847	\$ 939	\$ —	\$ 3,152	\$ —	\$ 6,950
Interest expense	—	—	—	—	—	—	(433)	(433)
Earnings before income taxes	\$ 3,798	\$ 1,366	\$ 847	\$ 939	\$ —	\$ 3,152	\$ (433)	\$ 6,517

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read together with the accompanying Condensed Consolidated Financial Statements and Notes and with our 2022 10-K, including the Consolidated Financial Statements and Notes included in Part II, Item 8, "Financial Statements and Supplementary Data" in that report. Unless the context indicates otherwise, references to the terms "UnitedHealth Group," the "Company," "we," "our" or "us" used throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations refer to UnitedHealth Group Incorporated and its consolidated subsidiaries.

Readers are cautioned that the statements, estimates, projections or outlook contained in this Management's Discussion and Analysis of Financial Condition and Results of Operations, including discussions regarding financial prospects, economic conditions, trends and uncertainties contained in this Item 2, may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (PSLRA). These forward-looking statements involve risks and uncertainties that may cause our actual results to differ materially from the results discussed or implied in the forward-looking statements. A description of some of the risks and uncertainties is set forth in Part I, Item 1A, "Risk Factors" in our 2022 10-K and in the discussion below.

EXECUTIVE OVERVIEW

General

UnitedHealth Group is a health care and well-being company with a mission to help people live healthier lives and help make the health system work better for everyone. Our two distinct, yet complementary business platforms — Optum and UnitedHealthcare — are working to help build a modern, high-performing health system through improved access, affordability, outcomes and experiences for the individuals and organizations we are privileged to serve.

We have four reportable segments:

- Optum Health;
- Optum Insight;
- Optum Rx; and
- UnitedHealthcare, which includes UnitedHealthcare Employer & Individual, UnitedHealthcare Medicare & Retirement and UnitedHealthcare Community & State.

Further information on our business is presented in Part I, Item 1, "Business" and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2022 10-K and additional information on our segments can be found in this Item 2 and in [Note 8 of Notes to the Condensed Consolidated Financial Statements](#) included in Part I, Item 1 of this report.

Business Trends

Our businesses participate in the United States, South America and certain other international health markets. We expect overall spending on health care to continue to grow in the future due to inflation, medical technology and pharmaceutical advancement, regulatory requirements, demographic trends in the population and national interest in health and well-being. The rate of market growth may be affected by a variety of factors, including macroeconomic conditions and regulatory changes, which could impact our results of operations, including our continued efforts to control health care costs.

Pricing Trends. To price our health care benefits, products and services, we start with our view of expected future costs, including inflation and labor market dynamics. We frequently evaluate and adjust our approach in each of the local markets we serve, considering all relevant factors, such as product positioning, price competitiveness and environmental, competitive, legislative and regulatory considerations, including minimum medical loss ratio thresholds and similar revenue adjustments. We will continue seeking to balance growth and profitability across all these dimensions.

The commercial risk market remains highly competitive in the small group, large group and individual segments. We expect broad-based competition to continue as the industry adapts to individual and employer needs.

Government programs in the community and senior sector tend to receive lower rates of increase than the commercial market due to governmental budget pressures and lower cost trends.

Medical Cost Trends. Our medical cost trends primarily relate to changes in unit costs, care activity and prescription drug costs. We endeavor to mitigate those increases by engaging physicians and consumers with information and helping them make clinically sound choices, with the objective of helping them achieve quality, affordable care.

Regulatory Trends and Uncertainties

Medicare Advantage Rates. Medicare Advantage rate notices over the years have at times resulted in industry base rates well below industry forward medical trend. For example, the Final Notice for 2024 rates resulted in an industry base rate decrease, well short of what is an increasing industry forward medical cost trend, creating continued pressure in the Medicare Advantage program. Further, substantial revisions to the risk adjustment model, which serves to adjust rates to reflect a patient's health status and care resource needs, will result in reduced funding and potentially benefits for people, especially those with some of the greatest health and social challenges.

As a result of ongoing Medicare funding pressures, there are adjustments we can make to partially offset these rate pressures and reductions for a particular period. For example, we can seek to intensify our medical and operating cost management, make changes to the size and composition of our care provider networks, adjust member benefits and implement or increase the member premiums supplementing the monthly payments we receive from the government. Additionally, we decide annually on a county-by-county basis where we will offer Medicare Advantage plans.

SELECTED OPERATING PERFORMANCE AND OTHER SIGNIFICANT ITEMS

The following summarizes select first quarter 2023 year-over-year operating comparisons to first quarter 2022 and other financial results.

- Consolidated revenues grew 15%, UnitedHealthcare revenues grew 13% and Optum revenues grew 25%.
- UnitedHealthcare served 1.9 million more people, driven by growth across our U.S. businesses.
- Consolidated earnings from operations of \$8.1 billion compared to \$7.0 billion last year, included growth of 14% at UnitedHealthcare and 19% at Optum.
- Diluted earnings per common share were \$5.95.
- Cash flows from operations for the three months ended March 31, 2023 were \$16.3 billion.
- Return on equity was 28.2%.

RESULTS SUMMARY

The following table summarizes our consolidated results of operations and other financial information:

(in millions, except percentages and per share data)	Three Months Ended March 31,		Increase/(Decrease)	
	2023	2022	2023 vs. 2022	
Revenues:				
Premiums	\$ 72,786	\$ 64,070	\$ 8,716	14 %
Products	10,267	9,340	927	10
Services	8,080	6,372	1,708	27
Investment and other income	798	367	431	117
Total revenues	91,931	80,149	11,782	15
Operating costs:				
Medical costs	59,845	52,523	7,322	14
Operating costs	13,625	11,401	2,224	20
Cost of products sold	9,405	8,487	918	11
Depreciation and amortization	970	788	182	23
Total operating costs	83,845	73,199	10,646	15
Earnings from operations	8,086	6,950	1,136	16
Interest expense	(754)	(433)	(321)	74
Earnings before income taxes	7,332	6,517	815	13
Provision for income taxes	(1,558)	(1,369)	(189)	14
Net earnings	5,774	5,148	626	12
Earnings attributable to noncontrolling interests	(163)	(121)	(42)	35
Net earnings attributable to UnitedHealth Group common shareholders	\$ 5,611	\$ 5,027	\$ 584	12 %
Diluted earnings per share attributable to UnitedHealth Group common shareholders	\$ 5.95	\$ 5.27	\$ 0.68	13 %
Medical care ratio (a)	82.2 %	82.0 %	0.2 %	
Operating cost ratio	14.8	14.2	0.6	
Operating margin	8.8	8.7	0.1	
Tax rate	21.2	21.0	0.2	
Net earnings margin (b)	6.1	6.3	(0.2)	
Return on equity (c)	28.2 %	27.8 %	0.4 %	

(a) Medical care ratio (MCR) is calculated as medical costs divided by premium revenue.

(b) Net earnings margin attributable to UnitedHealth Group shareholders.

(c) Return on equity is calculated as annualized net earnings attributable to UnitedHealth Group common shareholders divided by average shareholders' equity. Average shareholders' equity is calculated using the shareholders' equity balance at the end of the preceding year and the shareholders' equity balances at the end of each of the quarters in the year presented.

2023 RESULTS OF OPERATIONS COMPARED TO 2022 RESULTS OF OPERATIONS

Consolidated Financial Results

Revenues

The increases in revenues were primarily driven by growth in the number of people served through Medicare Advantage and Medicaid, pricing trends and growth across the Optum businesses.

Medical Costs and MCR

Medical costs increased primarily due to growth in people served through Medicare Advantage and Medicaid. The MCR increased as a result of business mix.

Operating Cost Ratio

The operating cost ratio increased primarily due to business mix and investments to support future growth, partially offset by continued productivity advances.

Reportable Segments

See [Note 8 of Notes to the Condensed Consolidated Financial Statements](#) included in Part I, Item 1 of this report for more information on our segments. We utilize various metrics to evaluate and manage our reportable segments, including people served by UnitedHealthcare by major market segment and funding arrangement, people served by Optum Health and adjusted scripts for Optum Rx. These metrics are the main drivers of revenue, earnings and cash flows at each business. The metrics also allow management and investors to evaluate and understand business mix, including the level and scope of services provided to people and pricing trends when comparing the metrics to revenue by segment.

The following table presents a summary of the reportable segment financial information:

(in millions, except percentages)	Three Months Ended March 31,		Increase/(Decrease)	
	2023	2022	2023 vs. 2022	
Revenues				
UnitedHealthcare	\$ 70,468	\$ 62,595	\$ 7,873	13 %
Optum Health	23,004	16,682	6,322	38
Optum Insight	4,496	3,219	1,277	40
Optum Rx	27,418	23,911	3,507	15
Optum eliminations	(859)	(553)	(306)	55
Optum	54,059	43,259	10,800	25
Eliminations	(32,596)	(25,705)	(6,891)	27
Consolidated revenues	\$ 91,931	\$ 80,149	\$ 11,782	15 %
Earnings from operations				
UnitedHealthcare	\$ 4,343	\$ 3,798	\$ 545	14 %
Optum Health	1,776	1,366	410	30
Optum Insight	907	847	60	7
Optum Rx	1,060	939	121	13
Optum	3,743	3,152	591	19
Consolidated earnings from operations	\$ 8,086	\$ 6,950	\$ 1,136	16 %
Operating margin				
UnitedHealthcare	6.2 %	6.1 %	0.1 %	
Optum Health	7.7	8.2	(0.5)	
Optum Insight	20.2	26.3	(6.1)	
Optum Rx	3.9	3.9	—	
Optum	6.9	7.3	(0.4)	
Consolidated operating margin	8.8 %	8.7 %	0.1 %	

UnitedHealthcare

The following table summarizes UnitedHealthcare revenues by business:

(in millions, except percentages)	Three Months Ended March 31,		Increase/(Decrease)	
	2023	2022	2023 vs. 2022	
UnitedHealthcare Employer & Individual - Domestic	\$ 16,544	\$ 15,822	\$ 722	5 %
UnitedHealthcare Employer & Individual - Global	2,163	2,133	30	1
UnitedHealthcare Employer & Individual - Total	18,707	17,955	752	4
UnitedHealthcare Medicare & Retirement	33,006	29,100	3,906	13
UnitedHealthcare Community & State	18,755	15,540	3,215	21
Total UnitedHealthcare revenues	\$ 70,468	\$ 62,595	\$ 7,873	13 %

The following table summarizes the number of people served by our UnitedHealthcare businesses, by major market segment and funding arrangement:

(in thousands, except percentages)	March 31,		Increase/(Decrease)	
	2023	2022	2023 vs. 2022	
Commercial - Domestic:				
Risk-based	8,025	7,950	75	1 %
Fee-based	19,325	18,460	865	5
Total Commercial - Domestic	27,350	26,410	940	4
Medicare Advantage	7,545	6,890	655	10
Medicaid	8,380	7,810	570	7
Medicare Supplement (Standardized)	4,320	4,355	(35)	(1)
Total Community and Senior	20,245	19,055	1,190	6
Total UnitedHealthcare - Domestic Medical	47,595	45,465	2,130	5
Commercial - Global	5,295	5,500	(205)	(4)
Total UnitedHealthcare - Medical	52,890	50,965	1,925	4 %
Supplemental Data:				
Medicare Part D stand-alone	3,380	3,360	20	1 %

UnitedHealthcare's revenues and earnings from operations increased due to growth in the number of people served through individual and group Medicare Advantage plans; growth in existing Medicaid markets; including a greater mix of people with higher acuity needs; and an increase in the number of people served through risk-based and fee-based commercial offerings.

Optum

Total revenues and earnings from operations increased due to growth across the Optum businesses. The results by segment were as follows:

Optum Health

Revenues at Optum Health increased primarily due to organic growth in patients served under value-based care arrangements and business combinations. Earnings from operations increased due to organic growth in the number of people served under value-based care arrangements and cost management initiatives. Optum Health served approximately 103 million people as of March 31, 2023 compared to 100 million people as of March 31, 2022.

Optum Insight

Revenues and earnings from operations at Optum Insight increased due growth in business services as a result of business combinations and growth in technology services.

Optum Rx

Revenues and earnings from operations at Optum Rx increased due to higher script volumes from growth in people served and growth in specialty pharmacy offerings. Earnings from operations also increased as a result of continued supply chain management initiatives. Optum Rx fulfilled 378 million and 352 million adjusted scripts in the first quarters of 2023 and 2022, respectively.

LIQUIDITY, FINANCIAL CONDITION AND CAPITAL RESOURCES

Liquidity

Summary of our Major Sources and Uses of Cash and Cash Equivalents

(in millions)	Three Months Ended March 31,		Increase/(Decrease) 2023 vs. 2022
	2023	2022	
Sources of cash:			
Cash provided by operating activities	\$ 16,327	\$ 5,319	\$ 11,008
Issuances of short-term borrowings and long-term debt, net of repayments	12,375	2,048	10,327
Proceeds from common stock issuances	344	551	(207)
Customer funds administered	5,012	5,120	(108)
Total sources of cash	34,058	13,038	
Uses of cash:			
Common stock repurchases	(2,000)	(2,500)	500
Cash paid for acquisitions, net of cash assumed	(7,826)	(1,231)	(6,595)
Purchases of investments, net of sales and maturities	(2,319)	(1,632)	(687)
Purchases of property, equipment and capitalized software	(760)	(555)	(205)
Cash dividends paid	(1,537)	(1,363)	(174)
Other	(1,119)	(1,807)	688
Total uses of cash	(15,561)	(9,088)	
Effect of exchange rate changes on cash and cash equivalents	51	157	(106)
Net increase in cash and cash equivalents	\$ 18,548	\$ 4,107	\$ 14,441

2023 Cash Flows Compared to 2022 Cash Flows

Increased cash flows provided by operating activities were primarily driven by an increase in unearned revenue due to the March receipt of our April CMS premium payment of \$11.2 billion and increased net earnings, partially offset by changes in working capital accounts. Other significant changes in sources or uses of cash year-over-year included increased net issuances of short-term borrowings and long-term debt, partially offset by increased cash paid for acquisitions and net purchases of investments.

Financial Condition

As of March 31, 2023, our cash, cash equivalent, available-for-sale debt securities and equity securities balances of \$91.2 billion included approximately \$41.9 billion of cash and cash equivalents (of which \$7.0 billion was available for general corporate use), \$45.4 billion of debt securities and \$3.9 billion of investments in equity securities. Given the significant portion of our portfolio held in cash and cash equivalents, we do not anticipate fluctuations in the aggregate fair value of our financial assets to have a material impact on our liquidity or capital position. Our available-for-sale debt securities portfolio had a weighted-average duration of 4.0 years and a weighted-average credit rating of “Double A” as of March 31, 2023. When multiple credit ratings are available for an individual security, the average of the available ratings is used to determine the weighted-average credit rating.

Capital Resources and Uses of Liquidity

In addition to cash flows from operations and cash and cash equivalent balances available for general corporate use, our capital resources and uses of liquidity are as follows:

Cash Requirements. A summary of our cash requirements as of December 31, 2022 was disclosed in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2022 10-K. During the three months ended March 31, 2023, there were no material changes to this previously disclosed information outside the ordinary course of business. We believe our capital resources are sufficient to meet future, short-term and long-term, liquidity needs. We continually evaluate opportunities to expand our operations, including through internal development of new products, programs and technology applications and business combinations.

Short-Term Borrowings. Our revolving bank credit facilities provide liquidity support for our commercial paper borrowing program, which facilitates the private placement of unsecured debt through independent broker-dealers, and are available for general corporate purposes. For more information on our commercial paper and bank credit facilities, see [Note 5 of Notes to the Condensed Consolidated Financial Statements](#) included in Part I, Item 1 of this report and Note 8 of Notes to the Consolidated Financial Statements included in Part II, Item 8, “Financial Statements and Supplementary Data” in our 2022 10-K.

Our revolving bank credit facilities contain various covenants, including covenants requiring us to maintain a defined debt to debt-plus-shareholders’ equity ratio of not more than 60%. As of March 31, 2023, our debt to debt-plus-shareholders’ equity ratio, as defined and calculated under the credit facilities, was approximately 42%.

Long-Term Debt. Periodically, we access capital markets and issue long-term debt for general corporate purposes, such as, to meet our working capital requirements, to refinance debt, to finance acquisitions or for share repurchases. For more information on our long-term debt, see [Note 5 of Notes to the Condensed Consolidated Financial Statements](#) included in Part I, Item 1 of this report and Note 8 of Notes to the Consolidated Financial Statements included in Part II, Item 8, “Financial Statements and Supplementary Data” in our 2022 10-K.

Credit Ratings. Our credit ratings as of March 31, 2023 were as follows:

	Moody’s		S&P Global		Fitch		A.M. Best	
	Ratings	Outlook	Ratings	Outlook	Ratings	Outlook	Ratings	Outlook
Senior unsecured debt	A3	Positive	A+	Stable	A	Stable	A	Stable
Commercial paper	P-2	n/a	A-1	n/a	F1	n/a	AMB-1+	n/a

The availability of financing in the form of debt or equity is influenced by many factors, including our profitability, operating cash flows, debt levels, credit ratings, debt covenants and other contractual restrictions, regulatory requirements and economic and market conditions. A significant downgrade in our credit ratings or adverse conditions in the capital markets may increase the cost of borrowing for us or limit our access to capital.

Share Repurchase Program. During the three months ended March 31, 2023, we repurchased approximately 4 million shares at an average price of \$484.83 per share. As of March 31, 2023, we had Board of Directors’ authorization to purchase up to 27 million shares of our common stock.

Dividends. Our quarterly cash dividend to shareholders reflects an annual dividend rate of \$6.60 per share.

For additional liquidity discussion, see Note 10 of Notes to the Consolidated Financial Statements included in Part II, Item 8, “Financial Statements and Supplementary Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in Part II, Item 7 in our 2022 10-K.

RECENTLY ISSUED ACCOUNTING STANDARDS

There are no recently issued accounting standards that are expected to have a material impact on our Condensed Consolidated Financial Statements.

CRITICAL ACCOUNTING ESTIMATES

In preparing our Condensed Consolidated Financial Statements, we are required to make judgments, assumptions and estimates, which we believe are reasonable and prudent based on the available facts and circumstances. These judgments, assumptions and estimates affect certain of our revenues and expenses and their related balance sheet accounts and disclosure of our contingent liabilities. We base our assumptions and estimates primarily on historical experience and consider known and projected trends. On an ongoing basis, we re-evaluate our selection of assumptions and the method of calculating our estimates. Actual results, however, may materially differ from our calculated estimates, and this difference would be reported in our current operations.

Our critical accounting estimates include medical costs payable and goodwill. For a detailed description of our critical accounting estimates, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in Part II, Item 7 in our 2022 10-K. For a detailed discussion of our significant accounting policies, see Note 2 of Notes to the Consolidated Financial Statements included in Part II, Item 8, “Financial Statements and Supplementary Data” in our 2022 10-K.

FORWARD-LOOKING STATEMENTS

The statements, estimates, projections, guidance or outlook contained in this document include “forward-looking” statements which are intended to take advantage of the “safe harbor” provisions of the federal securities law. The words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “forecast,” “outlook,” “plan,” “project,” “should” and similar expressions identify forward-looking statements. These statements may contain information about financial prospects, economic conditions and trends and involve risks and uncertainties. Actual results could differ materially from those that management expects, depending on the outcome of certain factors including: our ability to effectively estimate, price for and manage medical costs; new or changes in existing health care laws or regulations, or their enforcement or application; reductions in revenue or delays to cash flows received under government programs; changes in Medicare, the CMS star ratings program or the application of risk adjustment data validation audits; the DOJ’s legal action relating to the risk adjustment submission matter; our ability to maintain and achieve improvement in quality scores impacting revenue; failure to maintain effective and efficient information systems or if our technology products do not operate as intended; cyberattacks, other privacy/data security incidents, or our failure to comply with related regulations; risks and uncertainties associated with our businesses providing pharmacy care services; competitive pressures, including our ability to maintain or increase our market share; changes in or challenges to our public sector contract awards; failure to achieve targeted operating cost productivity improvements; failure to develop and maintain satisfactory relationships with health care payers, physicians, hospitals and other service providers; the impact of potential changes in tax laws and regulations (including any increase in the U.S. income tax rate applicable to corporations); increases in costs and other liabilities associated with litigation, government investigations, audits or reviews; failure to manage successfully our strategic alliances or complete, manage or integrate strategic transactions; risks associated with public health crises arising from large-scale medical emergencies, pandemics, natural disasters and other extreme events; fluctuations in foreign currency exchange rates; failure to attract, develop, retain, and manage the succession of key employees and executives; our investment portfolio performance; impairment of our goodwill and intangible assets; failure to protect proprietary rights to our databases, software and related products; downgrades in our credit ratings; and our ability to obtain sufficient funds from our regulated subsidiaries or from external financings to fund our obligations, maintain our debt to total capital ratio at targeted levels, maintain our quarterly dividend payment cycle, or continue repurchasing shares of our common stock.

This above list is not exhaustive. We discuss these matters, and certain risks that may affect our business operations, financial condition and results of operations, more fully in our filings with the SEC, including our reports on Forms 10-K, 10-Q and 8-K. By their nature, forward-looking statements are not guarantees of future performance or results and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Actual results may vary materially from expectations expressed or implied in this document or any of our prior communications. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We do not undertake to update or revise any forward-looking statements, except as required by law.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We manage exposure to market interest rates by diversifying investments across different fixed-income market sectors and debt across maturities, as well as by matching a portion of our floating-rate assets and liabilities, either directly or through the use of interest rate swap contracts. Unrealized gains and losses on investments in available-for-sale debt securities are reported in comprehensive income.

The following table summarizes the impact of hypothetical changes in market interest rates across the entire yield curve by 1% point or 2% points as of March 31, 2023 on our investment income and interest expense per annum, and the fair value of our investments and debt (in millions, except percentages):

Increase (Decrease) in Market Interest Rate	March 31, 2023			
	Investment Income Per Annum	Interest Expense Per Annum	Fair Value of Financial Assets	Fair Value of Financial Liabilities
2 %	\$ 1,027	\$ 487	\$ (3,684)	\$ (8,701)
1	513	244	(1,894)	(4,741)
(1)	(513)	(216)	1,979	5,729
(2)	(1,027)	(428)	4,008	12,724

Note: The impact of hypothetical changes in interest rates may not reflect the full 100 or 200 basis point change on interest income and interest expense or on the fair value of financial assets and liabilities as the rates are assumed to not fall below zero.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (Exchange Act) that are designed to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms; and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

In connection with the filing of this quarterly report on Form 10-Q, management evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2023. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2023.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in our internal control over financial reporting during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

A description of our legal proceedings is included in and incorporated by reference to [Note 6 of Notes to the Condensed Consolidated Financial Statements](#) included in Part I, Item 1 of this report.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A, “Risk Factors” of our 2022 10-K, which could materially affect our business, financial condition or future results. The risks described in our 2022 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

There have been no material changes to the risk factors as disclosed in our 2022 10-K.

ITEM 2. UNREGISTERED SALE OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities (a) First Quarter 2023

For the Month Ended	Total Number of Shares Purchased (in millions)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (in millions)	Maximum Number of Shares That May Yet Be Purchased Under The Plans or Programs (in millions)
January 31, 2023	1.3	\$ 495.21	1.3	29.8
February 28, 2023	1.5	485.22	1.5	28.3
March 31, 2023	1.3	473.89	1.3	27.0
Total	4.1	\$ 484.83	4.1	

(a) In November 1997, our Board of Directors adopted a share repurchase program, which the Board of Directors evaluates periodically. In June 2018, the Board of Directors renewed our share repurchase program with an authorization to repurchase up to 100 million shares of our common stock in open market purchases or other types of transactions (including prepaid or structured repurchase programs). There is no established expiration date for the program.

ITEM 6. EXHIBITS*

The following exhibits are filed or incorporated by reference herein in response to Item 601 of Regulation S-K. The Company files Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K pursuant to the Securities Exchange Act of 1934 under Commission File No. 1-10864.

- [3.1 Certificate of Incorporation of UnitedHealth Group Incorporated \(incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form 8-A/A filed on July 1, 2015\)](#)
- [3.2 Amended and Restated Bylaws of UnitedHealth Group Incorporated, effective February 23, 2021 \(incorporated by reference to Exhibit 3.2 to UnitedHealth Group Incorporated's Current Report on Form 8-K filed on February 26, 2021\)](#)
- [4.1 Senior Indenture, dated as of November 15, 1998, between United HealthCare Corporation and The Bank of New York \(incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3/A, SEC File Number 333-66013, filed on January 11, 1999\)](#)
- [4.2 Amendment, dated as of November 6, 2000, to Senior Indenture, dated as of November 15, 1998, between UnitedHealth Group Incorporated and The Bank of New York \(incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001\)](#)
- [4.3 Instrument of Resignation, Appointment and Acceptance of Trustee, dated January 8, 2007, pursuant to the Senior Indenture, dated as of November 15, 1998, amended November 6, 2000, among UnitedHealth Group Incorporated, The Bank of New York and Wilmington Trust Company \(incorporated by reference to Exhibit 4.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007\)](#)
- [4.4 Indenture, dated as of February 4, 2008, between UnitedHealth Group Incorporated and U.S. Bank National Association \(incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3, SEC File Number 333-149031, filed on February 4, 2008\)](#)
- [31.1 Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- [32.1 Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

- 101.INS XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
- 101.SCH Inline XBRL Taxonomy Extension Schema Document.
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document.
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document.
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document.
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and embedded within Exhibit 101).

* Pursuant to Item 601(b)(4)(iii) of Regulation S-K, copies of instruments defining the rights of certain holders of long-term debt are not filed. The Company will furnish copies thereof to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITEDHEALTH GROUP INCORPORATED

<div><div>/s/ ANDREW WITTY</div><div>Andrew Witty</div></div>	<div>Chief Executive Officer (principal executive officer)</div>	<div>Dated: May 3, 2023</div>
<div><div>/s/ JOHN REX</div><div>John Rex</div></div>	<div>Executive Vice President and Chief Financial Officer (principal financial officer)</div>	<div>Dated: May 3, 2023</div>
<div><div>/s/ THOMAS ROOS</div><div>Thomas Roos</div></div>	<div>Senior Vice President and Chief Accounting Officer (principal accounting officer)</div>	<div>Dated: May 3, 2023</div>