

# Value-Based Care

## Better Health, Better Care, Lower Costs

Value-based care promotes better health, better care and lower costs through innovative partnerships with care providers and consumers. Traditionally, care providers have been rewarded for more tests and procedures, rather than for coordinating with each other and patients to produce better health outcomes across the patient population they serve. UnitedHealthcare offers technology, data and financial rewards to care providers for delivering excellent patient results at lower costs. In a value-based care approach, care providers can expect:

### Better Efficiency & Care Coordination

Physicians are incented to take a complete view of a patient's care across the entire health care system (PCP, specialists, hospital, pharmacy, etc.), with greater freedom in how they practice.

### Greater Influence Over Population Health

High-performing care providers grow the patient population they're serving, giving them greater influence over the quality of care delivered and patient outcomes.

### Data & Technology Support

Physicians receive data and analytics across the entire patient population they manage, including information comparing their outcomes to those of peers in their community.

### Smarter Compensation

Care providers are paid based on value – the right and most efficient care – refocusing health care on patient outcomes and quality, rather than volume.

## The Value-Based Care Spectrum

Value-based care represents a big step forward in addressing both the quality and cost of care. But there is a wide spectrum of ways value-based care can be implemented with care providers. It's not a one-size-fits-all approach.

UnitedHealthcare is flexible and adaptable to care providers' level of readiness to manage population health and sharing the risks and rewards that come with basing a larger portion of their compensation on performance-based measures.

UnitedHealthcare's value-based compensation models are categorized into three general areas:



### Performance-Based Programs

These contracts pay bonuses when care providers demonstrate improvements in quality care and cost-effectiveness. While providers continue to be paid on a fee-for-service basis, they also are paid a bonus when they meet or exceed certain goals.

### Bundled & Episode-Based Programs

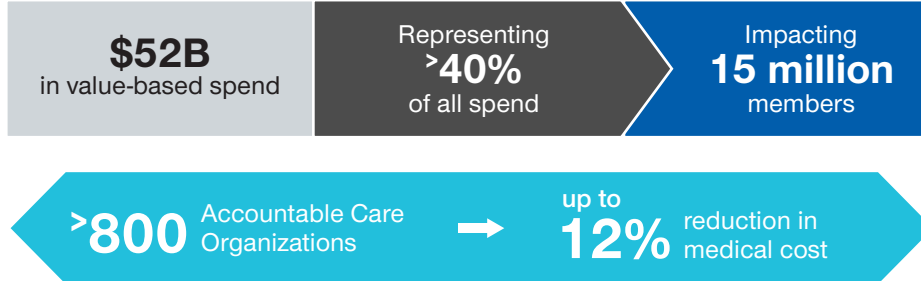
Bundled and episode payment programs pay a physician a lump sum in advance to manage the overall course of treatment for a specific condition or illness, including transplants. This approach removes any focus or concern regarding how the health care is paid for, and instead places full attention on the patient's care plan.

### Accountable Care Programs

Accountable care programs are the most advanced of UnitedHealthcare's suite of value-based programs. These programs work with care providers to manage the health of an overall population through shared savings, shared risk and/or capitation.

## Growing Momentum in the Shift to Value-Based Care

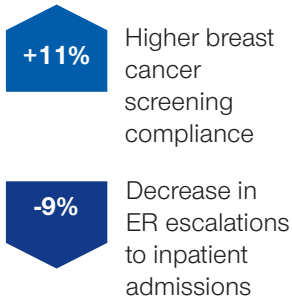
Care providers nationwide are showing strong interest in shifting to value-based care. UnitedHealthcare's total payments to physicians and hospitals that are tied to value-based arrangements have tripled in the last three years to \$52 billion. By the end of 2018, UnitedHealthcare expects that figure to reach \$65 billion.



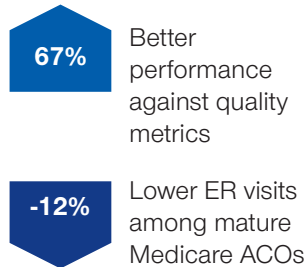
## Value-Based Care Improves People's Health

As care providers and health plans shift to value-based programs, patients benefit from an increased emphasis on keeping people healthy, enhanced coordination among care providers as physicians are rewarded for following clinical best practices and providing the most appropriate care. Taking better care of patients upfront often reduces the need for hospitalizations and other urgent care, while increasing the frequency of important health screenings and exams. Our top performing Accountable Care Organizations are delivering up to 12 percent lower medical costs across all lines of business in our most mature markets. UnitedHealthcare has a broad portfolio of value-based care programs:

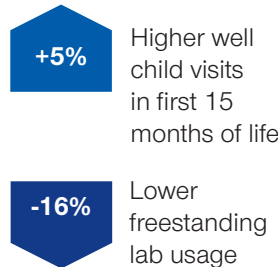
### Commercial



### Medicare



### Medicaid



## Principles for UnitedHealthcare's Vision for a Successful Value-Based Care System:

### CREATE

Design solutions based on unique market needs.

### COLLABORATE

Cultivate distinctive provider relationships with shared ownership and accountability.

### CONNECT

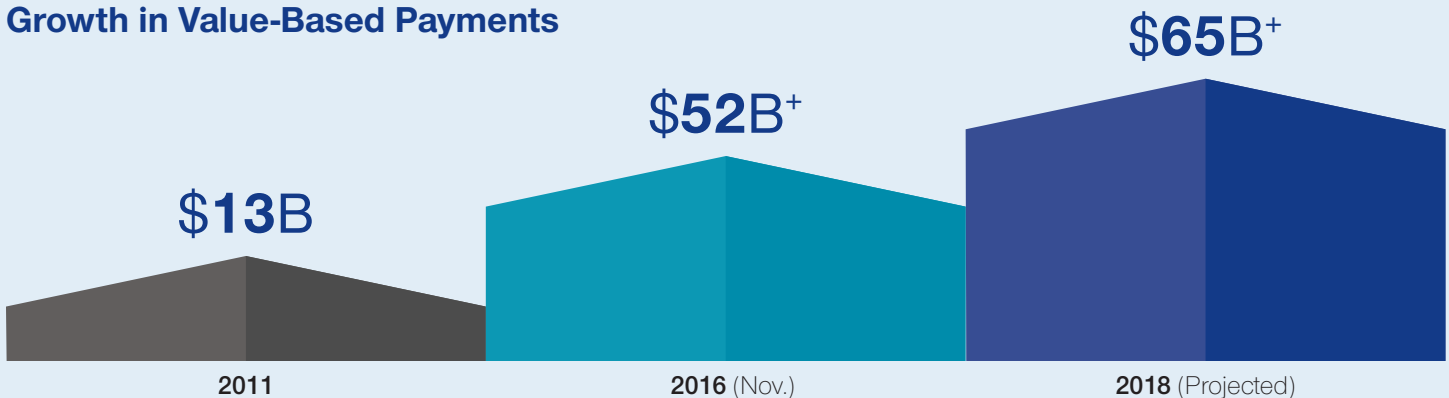
Focus on the individual's quality of care for powerful results.

## Partnering With Value-Based Care Organizations

Our value-based care approaches continue to evolve. We are actively listening and engaging with providers to achieve results with strategies that differentiate UnitedHealthcare in the market:

- Being transparent on how we share and interpret clinical and financial data;
- Leveraging technology, activation teams, algorithms & defined operational processes; and
- Hosting provider partner summits to share best practices and foster peer-to-peer interactions

## Growth in Value-Based Payments



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