



# UnitedHealth Group

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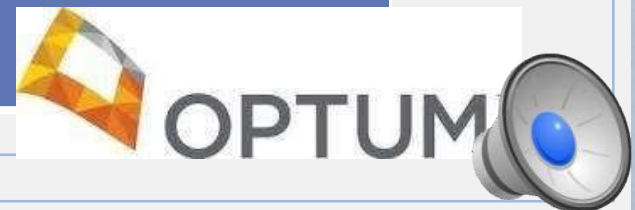
# Company Profile

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



Health Benefits  
UnitedHealthcare  
Coverage through  
Medicaid, community  
programs, military  
person, etc.

Health Services  
Optum  
Health information,  
technology, services and  
consulting



# Key People



President & CEO  
Stephen J. Hemsley



Executive Vice  
President  
Gail K. Boudreaux



Executive Vice President & CEO  
of Optum  
Larry C. Renfro

Other Key People are:

Edson Bueno (Director), David S. Wichmann (CFO), Marianne D. Short (CLO), William A. Munsell (Executive Vice President), Anthony Walters (Executive Vice President), Eric S. Rangen (CAO & Senior VP), Jeannine M. Rivet (Executive Vice President), D. Ellen Wilson (Executive Vice President), Richard Migliori, M.D. (CMO), Don Nathan (CCO & Senior VP), Cory B. Alexander (Executive VP), John S. Penshorn (Senior VP), Terry Clark (Senior VP)



# Financial Information

## Consolidated Financial Results:

### Revenues (in millions)

**2012:** \$110,618

**2013:** \$122, 489

### Net Earnings (in millions)

**2012:** \$5,526

**2013:** \$5,625

### Net Earnings Per Share

**2012:** \$5.28

**2013:** \$5.50

\$14.7 Billion returned to shareholders



# Financial Information

- \$ 160 Billion
- Performanced-Based Care (UnitedHealth Care)
  - 2012:** \$28 Billion
  - 2018E:** \$65 Billion
- Operating Earnings (Optum)
  - 2011:** \$1.3 Billion
  - 2012:** \$1.4 Billion
  - 2013:** \$2.3 Billion



# Industry

**Strengths:** Competencies in diversified health benefits market segment  
National scale helping leverage competencies and brand

Strong presence in high margin health services business

**Weaknesses:** Significant level of indebtedness affecting flexibility for expansion  
Litigations likely to impact the financial soundness and brand image of the group

**Opportunities:**

Inclusion of uninsured population to drive membership base growth

Favorable trends towards low cost generic drugs uptake could help save costs

**Threats:** Health care cost containment could limit earning potential

Negative publicity likely to affect private health insurance business

Increasing competition likely to erode the market share and profitability of the group



# Services

- Health insurance
  - Group health plans
  - Specialty benefits
  - Retiree solutions
  - Global healthcare solutions
- Medicare Plans
- Medicaid Plans
- Health and wellness information
- Hospice Care
- Health management
- Pharmacy benefit management
- Software and information tools
- Healthcare network
- Practice resources



# Suits and Claims

- 2008: Alleged violation of the Mental Health Parity and Addiction Equity Act of 2008.
- California
- Responded in a socially reactive manner
- 2013: Another alleged violation of the Mental Health Parity and Addiction Equity Act of 2008.
- Minnesota
- Again responded in a socially reactive manner





# Social Responsibility

*“We take seriously our responsibility to serve others  
and to bring forward meaningful and sustaining  
change”*

- Annual giving campaigns
- Company-wide volunteering
- UnitedHealth Foundation
- United Healthcare Children’s Foundation
- Green business practices



# Growth Plan

- Functional diversification
- Organizational innovation-  
Optum One and Health4Me  
app
- Focusing on core markets  
and territories



# Application

- Learned how responding to customer complaints/issues negatively can affect an organization's image adversely.
- How one responds to societal/ethical issues should also reflect the mission/values of the given company.
- Saw the real life application of the SWOT analysis
  - Better able to see the value of Porter's 5 industry forces
  - Learned valuable information about a company that has local roots



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