



Benefits of Combination with Change Healthcare

- By combining our products and expertise with those of Change Healthcare, we can increase efficiency and reduce friction in health care, producing a better experience and lower costs.
- Simply put, with this new combination, Optum will help improve the quality of health care delivery, automate claims transactions, and accelerate payment between provider and payer. We will accomplish this through aligning clinical decision making, improving claims accuracy, and simplifying payment.
- The combination of capabilities can improve healthcare by:
 - Helping health care providers and payers better serve patients by more effectively connecting and simplifying key clinical, administrative and payment processes.
 - Promoting better patient outcomes.
 - Reducing the high costs and inefficiencies that plague the health system by improving decision-making processes and putting the right data in the right hands at the right time.
 - Decreasing claims denials. Today, 90% of claim denials are avoidable and create extra work on the back end for everyone involved. By combining with Change Healthcare, we aim to create a system that can help reduce this figure.
- The combination will help us to substantially reduce the estimated \$267 billion the U.S. health care industry wastes annually on simply ensuring that health care providers submit valid and properly documented claims and that insurers pay the correct amount for the services provided.
- With the distinct and complementary capabilities and skills of Change Healthcare, Optum will advance anew and more modern foundation to support the next generation health system.
- Our frictionless platform will help patients get a simplified consumer experience, lower costs, and get better point-of-care delivery due to improved adherence to best clinical evidence.
- This is the health care system of the future, and Optum's combination with Change Healthcare will help make it a reality.

Government's Flawed Case in Opposition to this Combination

The theories of competitive harm advanced by the Department of Justice (DOJ) have no basis in fact or law, and do not provide any basis for blocking what is clearly a pro-competitive, pro-consumer transaction.

- The Government's case rests entirely on speculation and theories unsupported by any past conduct, i.e., that Optum will somehow exploit Change Healthcare's products and services to secure an unfair advantage for UnitedHealthcare's health insurance business.
- There is no reason to believe Optum will misuse the competitively sensitive information ("CSI") that passes through Change's EDI (Electronic Data Interchange) network to benefit UnitedHealthcare's health insurance business. This is because Optum's business model and financial success is dependent on providing products and services to external customers, not just UnitedHealthcare. Put simply, any misuse of customer CSI would be economic suicide for Optum because its sophisticated external customer base would simply cease using Optum's services and turn to any number of Optum competitors.

- Optum already has access to the CSI of UnitedHealthcare's competitors, through services that Optum currently provides to some of the largest insurance companies in the nation. Optum invests extraordinary time, money, and resources into safeguarding that information and keeping it walled off from UnitedHealthcare. UnitedHealth Group's existing firewalls and data-security policies prohibit employees from improperly sharing external-customer CSI.
- The Government's theory that Optum will raise prices, degrade quality, or withhold innovations from its rivals—through manipulating Change Healthcare's EDI network—has no basis in rational economic or financial logic. Optum has no incentive to discriminate against health insurers with respect to EDI services, which constitute less than 1% of a payer's cost structure and are sometimes provided for free.
- Instead, Optum has every incentive to do just the opposite -- continuing to offer high quality products and services, including EDI. There is no support for the Government's speculation that the combination with Change Healthcare will lead to Optum hoarding the product and service innovations that could result. Optum has served third-party payers for years and has consistently shared innovations with the marketplace. Indeed, the returns associated with sharing innovations with the marketplace are the driver of Optum pursuing this combination in the first place.
- Optum's long-standing real-world practices with respect to the treatment of customer data and competitively sensitive information will be applied to Change Healthcare's customer data post-close, and Optum believes that its long-standing policies and practices address DOJ's stated concerns. Nevertheless, to provide further assurance to DOJ and to Change Healthcare's customers and partners, Optum agreed to codify those commitments to both Optum's and Change Healthcare's customers and the Government to fully address those concerns.

Summary of Commitments to DOJ and Customers

To address the Government's speculative concerns, Optum agreed to a series of commitments in support of Optum's and Change Healthcare's customers. First, in response to DOJ's claim that the Optum's combination with Change Healthcare would create a "monopoly in first-pass claims-editing solutions," Optum agreed to divest Change Healthcare's claims-editing business. Final bids are being received for this business. We expect a signed agreement with a strong buyer fully replicating Change Healthcare's competitive position in first-pass claims editing to be completed within a matter of weeks.

Effective upon closing the transaction, and in addition to the divestiture, Optum has agreed to make the following commitments to Optum's and Change Healthcare's customers and the Government that fully address those concerns.

- Data
 - Optum will not alter Change Healthcare's current practices of making certain aggregated, de-identified data available to the marketplace.
- Firewalls
 - Optum will maintain robust firewall processes and extend them to Change Healthcare's business—to protect sensitive customer data and provide information to customers to allow them to verify those firewall processes.
- Performance Guarantees
 - Optum will continue to process EDI transactions consistent with industry standards and in the most efficient, contractually available manner.
- Non-discrimination Related to Innovations
 - Consistent with its current business practices, Optum will make any new products or services developed using medical EDI transaction data available to the marketplace.

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