

UNITEDHEALTH GROUP*

Thomas E. Roos
Sr. Vice President and Chief Accounting Officer
UnitedHealth Group Incorporated
9900 Bren Road East, Minnetonka, MN 55343
Tel: [REDACTED]

October 14, 2019

Ms. Vanessa Countryman, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Via email: rule-comments@sec.gov

Re: File No. S7-11-19 Proposed Rule titled “*Modernization of Regulation S-K Items 101, 103, and 105;*” (the “Proposed Rule”).

Dear Secretary Countryman:

This letter is submitted on behalf of UnitedHealth Group Incorporated (“UnitedHealth Group” or the “Company”), a diversified health care company dedicated to helping people live healthier lives and making the health system work better for everyone through two distinct business platforms – UnitedHealthcare, our health benefits business, and Optum, our health services business. Our workforce of more than 320,000 people serves the health care needs of 143 million people worldwide, funding and arranging health care on behalf of individuals, employers, and the government. UnitedHealth Group is a Fortune 6 company with annual expected revenues of over \$240 billion in 2019. We are writing in response to your request for comments regarding the Proposed Rule.

We commend the Commission for its efforts to continue to simplify and modernize disclosure requirements. We applaud, in particular, the Commission’s emphasis on the principles-based approach to disclosure requirements as set forth in the Proposed Rule. Additionally, continued consideration, in the rulemaking process, of how the proposed disclosures could result in competitive harm to public companies is imperative. We believe that all disclosures should be subject to a principles-based (and not prescriptive) framework. We also believe that companies should be permitted to exclude disclosures in the Proposed Rule if such disclosures contain proprietary or competitively sensitive information.

We are supportive of the Commission’s efforts to update and improve the disclosures within Regulation S-K. We do, however, have concerns with certain aspects of the Proposed Rule, most notably, the addition of human capital disclosures. Additionally, we believe that, as written, the Proposed Rule could require companies to disclose proprietary and sensitive information which may result in competitive harm to companies.

Below we discuss in further detail the Company’s position on select items within the Proposed Rule.

Human Capital Disclosures (Item 101(c))

We do not support the proposed amendment to require companies to disclose a description of human capital resources and believe that voluntary disclosures, or “private ordering” currently underway obviate the need for mandated disclosure. The current disclosure model allows companies to voluntarily evaluate what information is material to the understanding of the business, and provide information investors are seeking specific to the individual company. Further, the current model allows companies to disclose information in the manner, format and frequency that is most appropriate and helpful for investors. As the Commission recognizes, each industry, and even each company within a specific industry, has its own human capital considerations which may evolve over time. As a result, we believe companies should be permitted to disclose human capital information relevant to their business in the forum and manner most meaningful to investors. We note that companies currently choose to convey this information voluntarily in a variety of ways, including in investor conferences, proxy statements, earnings releases, external presentations, sustainability reports or on their websites, etc.

Like many companies, UnitedHealth Group voluntarily discloses certain information regarding its human capital resources based upon the information that has been requested by investors. For example, within the CEO Pay Ratio section of the proxy statement, the Company includes voluntary disclosures such as: the Company’s overall compensation philosophy; a geographical breakout of employees by region (U.S. Asia-Pacific, Americas (non-U.S)); the amount of employees in key talent pillars (clinicians, customer facing and computer technologists); and a breakout of the workforce by tenure. Further, within the Company’s business description in Part I of the 10-K, and in external presentations, the Company discusses various facets of the Company’s human capital resources that the Company deems insightful for investors to understand its business, such as number of physicians, clinicians, and technologists, and our approach to developing business leaders. Our website also provides information on the Company’s policies related to diversity and pay equity policies. We believe that companies have adequately met investor requests through these voluntary disclosures, while balancing the need to protect competitive or sensitive information. Thus, no further rulemaking is necessary.

Further, the Company believes that the proposed disclosures could require significant effort and cause companies to incur additional costs in order to be able to track, summarize and review the required human capital information, which would be contrary to the ongoing simplification efforts undertaken by the SEC. Though much of the information is currently available, companies may need to develop new systems or alter current systems to be able produce the requested disclosures reliably and timely and such information would then be subject to auditor reviews. As noted above, the Company currently includes voluntary disclosures in its proxy statement and on its website. If these same disclosures were required to be included in a 10-K, timelines to produce the information would need to be significantly accelerated, and it may not be possible for certain items to be reliably produced prior to filing. Moreover, additional controls and processes would need to be established to ensure that the information provided is investor-grade information appropriate to be included in the company’s 10-K filing, which increases company costs.

Additionally, we are concerned that the Proposed Rule as written could require companies to disclose competitive or sensitive information. Companies may have material human capital measures related to a specific geography, product line, or key talent group that are considered to be proprietary. For example, if a company had a material human capital measure related to a geographical center of excellence used to drive significant cost savings, disclosure may cause a

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competitor to try and replicate and/or compete for talent in the same geography. We believe companies should not be required to disclose competitive or other sensitive information, and an exception or safe harbor provision should be added to all required disclosures in the Proposed Rule.

Business Strategy (Item 101(a))

The Company opposes the proposed rule to require companies to disclose material changes to a previously disclosed business strategy. As suggested by many other commenters, disclosing certain changes in business strategy could be confidential and could put a company at a competitive disadvantage. Since only updates to a previously disclosed strategy were required to be disclosed, the proposed standard would result in disparate treatment between filers, based on what a filer's already disclosed. Further, we believe that the proposed requirement is unnecessary and duplicative. An understanding of a company's business strategy, as well as material changes thereto, should already be reflected in multiple sections of a company's 10-K filings, specifically in the Management's Discussion and Analysis and business description sections. In an effort to align with the Commission's intention to simplify and modernize disclosures we believe the proposed change to business strategy disclosures should not be adopted as proposed.

Risk Factors (Item 105)

The Company is generally in support of the proposed changes to the risk factor requirements. We believe that the proposed requirements to group similar risk factors and include a sub-heading to describe each group's will improve the readability of the section. This will allow users to easily focus upon areas they deem to be important to the Company, and allow them to easily discern those risk factors that are more general in nature.

In addition, we support the change from "most significant" to "material" risk factors as we believe this better aligns to the existing SEC 10-K standards regarding other necessary disclosures. That said, we do not believe this change will have a significant impact on the amount of risk factors disclosed by us, or by other companies.

The Company understands and supports the Commission's intent to reduce the length of the risk factor section, but does not believe that using a page number threshold, which requires a summary if exceeded, is an effective mechanism to achieve that objective. We believe the proposed requirements to group similar risk factors and include subheadings will achieve the objectives sought, making a summary duplicative. The number of pages is subjective and is easily malleable. We would suggest that a summary be optional based upon the company's discretion, considering the nature of the company's business, and similarities of risk factors with others in the same or similar industry.

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Conclusion

As mentioned above, the Company supports the Commission's continued efforts to move more towards a principles-based disclosure model. We believe this model provides more meaningful information by allowing companies to discern what is most insightful and useful to investors. We appreciate your consideration of our comments on the Proposed Rule. If we can provide further information or clarification of our comments, please call me.

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Sincerely,



Thomas E. Roos
Senior Vice President and Chief Accounting Officer
UnitedHealth Group, Incorporated
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