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ANALYZED COMPANIES

PAYERS
- UnitedHealth Group
- CVS Health

HOSPITAL SYSTEMS
- HCA Healthcare
- Tenet Healthcare

DISTRIBUTOR
- McKesson

MED DEVICE
- Abbott
- Medtronic

PHARMA
- Johnson & Johnson
- Eli Lilly
- AbbVie

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The Care Equation

WE ANALYZED EARNINGS CALLS IN THE HEALTHCARE INDUSTRY SO YOUR TEAM DOESN'T HAVE TO.

Healthcare is not one business. It is an interconnected ecosystem of payers, providers, distributors, pharmaceutical companies, and medical device companies, each operating with different economics, incentives, and challenges. Most of us understand the part of the industry closest to our work. The bigger opportunity is understanding how those pieces connect and how a decision in one part of healthcare can create opportunities, costs, or constraints somewhere else.

This report brings those perspectives together. We analyzed the latest earnings calls of ten leading healthcare companies across the industry through the lens of the 5 Business Drivers™: Cash, Profit, Assets, Growth, and People. The goal is to provide a broader view of what healthcare leaders are prioritizing, how the economics differ across the industry, and where their strategies intersect. What emerges is a clearer picture of the forces shaping healthcare today and how each part of the system affects the others.

Scan to hear Brent Barclay discuss this report's insights on our exclusive podcast episode.

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PREPARED REMARKS

The primary strategic priority discussed on each earnings call

Across the ten companies, healthcare leaders are pursuing growth from very different starting points. Pharma, medical device, and distribution leaders are leaning into pipelines, launches, capacity, and market expansion. Payers and providers are focused more heavily on affordability, payer mix, cost trends, and margin recovery. The connection is unusually direct: reimbursement, affordability, and policy determine how innovation translates into patient access and durable economic value.

UnitedHealth Group UNH Restore durable margin performance while modernizing care. Medical cost trend, benefit design, value-based care, and AI are the levers supporting a return to the long-term target of 13%-16% annual EPS growth.	**CVS Health CVS** Convert margin recovery into durable enterprise growth. Aetna pricing discipline, GLP-1 access, specialty pharmacy, and the Health100/HIO platform anchor the strategy.
HCA Healthcare HCA Protect earnings through payer-mix disruption after trimming 2026 guidance back to its long-term target of 4%-6% EBITDA growth, while continuing to expand capacity into durable demand. Financial resiliency and a $7B+ capital program support the next phase.	**Tenet Healthcare THC** Use margin discipline and growth in complex procedures and specialized surgical care to compound cash flow. Technology-enabled expense management and expansion of its ambulatory surgery center business (USPI) are driving both profitability and capital deployment.
McKesson MCK Compound growth across oncology, multispecialty, pharmaceutical distribution, and prescription technology while reshaping the portfolio and maintaining capital discipline.	**Abbott ABT** Sustain roughly 7% top-line growth through a deep device and diagnostics pipeline, reimbursement expansion, Exact Sciences integration, and added CGM manufacturing capacity.
Medtronic MDT Turn broad innovation momentum into durable growth and earnings leverage. High-growth cardiovascular, robotics, neuroscience, and surgical platforms are backed by targeted capital deployment.	**Johnson & Johnson JNJ** Accelerate growth through portfolio breadth and pipeline execution. Management is targeting more than $100B of 2026 revenue and double-digit growth by decade-end.
Eli Lilly LLY Scale an industry-leading growth platform beyond obesity. Incretins, global access, manufacturing, and expansion into oncology, immunology, neuroscience, vaccines, and psychiatry broaden the runway.	**AbbVie ABBV** Build the next decade of growth through immunology, neuroscience, oncology, and business development. Pipeline depth and the Apogee acquisition extend the post-Humira growth engine.

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THE 5 BUSINESS DRIVERS®

Where executives focused their attention

Across the ten companies, Growth received the strongest aggregate emphasis with an average rank of 1.4, followed by Profit at 2.0, Assets at 3.0, Cash at 3.6, and People at 5.0. The split by sector is sharper: all four payer/provider companies rank Profit #1 and Growth #2, while all six product/distribution companies rank Growth #1. Cash never ranks above #3.

COMPANY	CASH	PROFIT	ASSETS	GROWTH	PEOPLE
UnitedHealth Group	4	**1**	3	2	5
CVS Health	3	**1**	4	2	5
HCA Healthcare	4	**1**	3	2	5
Tenet Healthcare	3	**1**	4	2	5
McKesson	3	2	4	**1**	5
Abbott	4	3	2	**1**	5
Medtronic	4	3	2	**1**	5
Johnson & Johnson	4	2	3	**1**	5
Eli Lilly	4	2	3	**1**	5
AbbVie	3	4	2	**1**	5

Highlighted cell denotes each company's #1 driver.

Methodology: We analyzed transcripts and shareholder letters employing both exact word matches and semantic analysis to identify references to the 5 Business Drivers: Cash, Profit, Assets, Growth, and People. Rankings reflect narrative emphasis in the analyzed transcripts, not financial magnitude. While analyzing the emphasis on individual drivers can be subjective, this methodology has consistently reflected trends observed in thousands of similar studies and offers valuable insights into executive priorities.

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THE 5 BUSINESS DRIVERS®

Industry focus by driver

1. GROWTH

Innovation Is the Growth Engine, but Access Determines Its Reach

The strongest growth narratives come from pharmaceutical, med device, and distribution, where executives are building around new medicines, new indications, devices, diagnostics, specialty platforms, and expanding patient access. Eli Lilly reported 48% revenue growth; Johnson & Johnson is targeting its first $100B+ revenue year; Medtronic raised FY27 organic growth guidance to 7.25%-7.75% after 13.7% organic growth (roughly 7% excluding an extra selling week); and McKesson highlighted strong oncology, multispecialty, and GLP-1 distribution momentum.

But healthcare growth is not simply a pipeline story. Leaders repeatedly connected innovation to reimbursement, manufacturing capacity, physician adoption, distribution, sites of care, and patient access. Abbott said continuous glucose monitor (CGM) growth has plateaued around 8%-9% until coverage expands, even as it plans another manufacturing facility for the demand ahead. HCA is adding beds and outpatient facilities against long-term demand. Tenet is expanding complex procedures and specialized surgical services and ambulatory surgery. Across sectors, opportunity becomes economic growth only when the system can deliver it to patients.

2. PROFIT

Affordability and Margin Discipline Are the Other Half of the Equation

For payers and providers, the conversation is dominated by medical cost trend, payer mix, reimbursement, pricing, utilization, productivity, and operating discipline. UnitedHealth is working through elevated commercial and Medicaid cost pressure. CVS is rebuilding Aetna margins. HCA is absorbing a major exchange-related financial pressure from chagnes in the mix of insured and uninsured patients. Tenet is using technology-enabled expense management to expand margins while volumes grow.

The innovation-led companies are also trying to pair growth with earnings discipline, but the trade-offs are visible. Medtronic is reinvesting part of its upside, Lilly is accepting lower U.S. net price as volume expands, and UnitedHealth has pushed full commercial margin recovery beyond 2027. Leaders are solving for growth and profitability together, not assuming one automatically produces the other.

3. ASSETS

The Asset Base Is Expanding from Facilities to Pipelines, Platforms, and Data

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The strategic asset base includes hospitals and ambulatory centers, manufacturing capacity, drug and device pipelines, distribution networks, digital platforms, robotics, clinical data, and acquired capabilities. HCA has more than $7B of approved capital investment tied to new beds and outpatient facilities. Abbott is planning roughly $1B for another CGM manufacturing facility. Portfolio reshaping is also active: J&J is separating orthopedics, Medtronic is separating MiniMed, and McKesson is moving Medical-Surgical toward Wellverse while companies across the sample continue acquiring growth assets.

What matters is not simply owning more assets. Executives are concentrating investment where capacity, science, technology, or market access can remove a constraint on growth. That makes capital allocation a strategic bridge between innovation and the economics of care.

4. CASH

Cash Provides the Capacity to Invest Through a Capital-Intensive Cycle

Cash is a supporting rather than leading narrative driver, but it underwrites nearly every strategic choice in the calls. UnitedHealth reported approximately $11B of quarterly operating cash flow, helped by the timing of substantial government payments. CVS raised full-year cash-flow guidance to at least $11.5B. J&J remains on track for full-year free cash flow approaching $21B. McKesson, Tenet, and others paired investment with substantial capital returns.

The pattern is one of optionality. Strong cash generation gives leaders room to fund R&D, manufacturing, sites of care, technology, acquisitions, dividends, and buybacks without abandoning financial discipline. In an industry where innovation cycles are long and capacity is expensive, cash is what keeps strategic choices open.

5. PEOPLE

Clinician Time Is a Capacity Constraint, Too

People ranked last in all ten analyses, yet several calls showed that workforce capacity is part of the economics of care. UnitedHealth is scaling ambient AI across employed providers to reduce administrative burden and clinician burnout. CVS said automation has redirected roughly one million pharmacist hours toward patient care. Tenet said savings increasingly require behavior change and process redesign, while HCA tied its resiliency program to workforce development.

Those examples make People more than a generic execution point. In healthcare, clinician and employee time is itself a scarce operating asset. Technology creates value only when workflows change, capacity is released, and teams understand how their decisions affect access, cost, quality, and financial performance.

THE PATTERN

The industry divides into two connected loops: product and distribution companies lead with Growth and build the Assets needed to scale it, while payers and providers lead with Profit as they manage cost trend, payer mix, and affordability. The loops meet at access: one company's growth can become another company's cost pressure.

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IN THEIR OWN WORDS

What leadership actually said

CASH

"Our financial strength allows us to continue investing in R&D..."

JOHNSON & JOHNSON

Context: J&J linked financial capacity to commercial launches, innovation, and selective acquisitions.

"We've got a strong balance sheet. So... we've got a lot of firepower to go do this investment."

MEDTRONIC

Context: Medtronic described improving cash conversion and capacity to keep deploying capital into high-growth opportunities.

PROFIT

"Margin strength is supported by timely execution on our technology-enabled expense management plans..."

TENET HEALTHCARE

Context: Tenet reported a 23.2% consolidated adjusted EBITDA margin and raised full-year guidance.

"We continue to see improvement in cost metrics..."

HCA HEALTHCARE

Context: HCA tied improving cost performance to its financial resiliency program, including digital transformation and workforce development.

ASSETS

"We have ample financial capacity for more business development..."

ABBVIE

Context: AbbVie was discussing continued pipeline expansion after announcing the planned Apogee Therapeutics acquisition.

"...we are already looking at our fifth facility and it'll probably be a billion dollar investment..."

ABBOTT

Context: Abbott expects CGM capacity to tighten as reimbursement and adoption expand, prompting planning for another manufacturing site.

GROWTH

"We have the strongest portfolio and pipeline in our 140-year history..."

JOHNSON & JOHNSON

Context: J&J paired 28 billion-dollar-plus products and platforms with a target to exceed $100B in 2026 revenue.

"...confident in our ability to deliver another year of industry-leading growth."

ELI LILLY

Context: Lilly raised full-year guidance after reporting 48% Q2 revenue growth.

PEOPLE

"...our people and culture, which is foundational to everything we do."

MCKESSON

Context: McKesson highlighted talent development and hands-on enterprise AI training as part of its operating model.

"...this has allowed us to refocus a million hours of pharmacist hours..."

CVS HEALTH

Context: CVS described using conversational AI to shift pharmacist time from administrative calls toward patient experience and clinical care.

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WHAT WERE THE TWO OR THREE POINTS THE EXECUTIVES WERE TRYING TO MAKE?

Across the ten calls, healthcare is not moving through one uniform cycle. The product side is scaling innovation at extraordinary speed, while payers and providers are managing the cost, reimbursement, and utilization consequences. Government policy is also setting both price and patient volume through issues such as ACA exchange subsidies, No Surprises Act dispute resolution, 340B, Medicare GLP-1 access, and drug-pricing changes. That makes the central question more concrete: how does innovation reach more patients without outrunning affordability or the economics of the system?

1. **Innovation is broadening the opportunity set.**
   Pharmaceutical and med device leaders are operating with unusually deep pipelines and multiple launch platforms. Lilly is extending leadership in GLP-1 and realted meabolic medicines while expanding into additional therapeutic areas. J&J, AbbVie, Abbott, and Medtronic each described multi-year product and pipeline catalysts. McKesson is benefiting from the downstream effects through oncology, multispecialty, specialty medicines, and GLP-1 distribution. Innovation is not concentrated in one category; it is moving through medicines, devices, diagnostics, robotics, digital tools, and care models.

2. **Access is increasingly being purchased through price, reimbursement, and policy.**
   The calls show access and economics moving together. Lilly is benefiting from the Medicare GLP-1 Bridge ($50 per month for eligible beneficiaries) while accepting lower U.S. net pricing as volume expands. CVS and UnitedHealth are moving pharmacy economics toward greater net-cost transparency and rebate pass-through. HCA and Tenet described patients with ACA markeplace insurance moving toward uninsured status after subsidy changes, while 340B and other reimbursement rules surfaced across multiple calls. In healthcare, policy can change both the price of care and the number of patients who can access it.

3. **One company's growth can become another company's cost trend.**
   The value chain is economically connected. UnitedHealth cited specialty drugs, including GLP-1s and anti-inflammatory therapies, as contributors to elevated commercial medical-cost trend, while Lilly and AbbVie are growing precisely through those categories. Providers see payer-mix and affordability pressure at the same time product companies pursue adoption and access. Growth and affordability are therefore not separate industry stories; they are two sides of the same care equation.

WHAT ARE THE GOALS AND OBJECTIVES GOING FORWARD?

- Scale innovation without losing sight of affordability - advance pipelines, launches, new indications, digital capabilities, reimbursement, and distribution while recognizing how price and access affect the rest of the healthcare value chain.
- Navigate policy-driven economics - adapt to payer-mix shifts, 340B, dispute-resolution rules, drug-pricing changes, and benefit design that can alter both patient volume and margin.
- Deploy capital and technology where they release real capacity - manufacturing, sites of care, R&D, acquisitions, AI, and workflow redesign that can turn demand into durable returns.

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THE Q&A

What analysts asked

Prepared remarks showed what management wanted investors to hear. The Q&A showed where investors wanted more proof. Analysts repeatedly tested not only growth and margin recovery, but earnings quality: whether favorable items were repeatable, whether procedure demand was softening, whether reimbursement and policy changes would alter the outlook, and whether large investments could translate into sustained returns.

Each earnings call is summarized in one sentence, capturing the central issue analysts were trying to clarify or pressure-test.

UnitedHealth Group 12 ANALYSTS Analysts pressed on medical-cost trends, commercial margin recovery, and whether the quality of the 2026 earnings baseline supports a return to the 13%-16% long-term growth algorithm.	**CVS** 7 ANALYSTS Analysts tested the durability of Aetna margin recovery, 2027 earnings assumptions, 340B and commercial risk pressure, and whether AI and Health100 can create measurable cost and revenue benefits.
HCA Healthcare 15 ANALYSTS Analysts focused on the exchange-related payer-mix headwind, the factors behind the change in guidance and Medicaid supplemental payments, softer surgery trends, Medicaid work requirements, and whether capacity investment can capture demand while resiliency initiatives protect margins.	**Tenet Healthcare** 13 ANALYSTS Analysts focused on the durability of margin expansion, exchange pressure, growth in outpatient and ambulatory surgery services, Medicaid supplemental payments, capital deployment, and how much technology-driven cost savings can continue to offset industry headwinds.
McKesson 7 ANALYSTS Analysts questioned the repeatability of pharmaceutical outperformance, oncology and multispecialty growth, policy exposure, and why free cash flow has declined for two years while earnings have grown.	**Abbott** 8 ANALYSTS Analysts questioned U.S. procedure trends, the second-half growth acceleration, CGM adoption and reimbursement, and the competitive position of Electrophysiology and Structural Heart.
Medtronic 8 ANALYSTS Analysts pressed on growth outside Cardiac Ablation Solutions, the economics and rationale of new investments, the diabetes separation, margin reinvestment versus expansion, and whether high-growth platforms can lift the broader base business.	**Johnson & Johnson** 9 ANALYSTS Analysts pressed on the mix behind raised guidance, U.S. procedure demand, Abiomed softness, launch adoption, robotics, and whether the breadth of the Innovative Medicine and medical device pipeline can sustain accelerated growth.
Eli Lilly 13 ANALYSTS Analysts focused on obesity-market access, Foundayo and retatrutide adoption, pipeline breadth beyond incretins, net-pricing sustainability, and whether guidance fully reflects the accelerating demand opportunity.	**AbbVie** 11 ANALYSTS Analysts tested Skyrizi and Rinvoq runway, late-stage pipeline differentiation, new neuroscience launches, pricing and placement on insurance drug lists, and Skyrizi exclusivity and competitive durability beyond 2033.

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THE OBSERVATION

Driver interdependence

The 5 Business Drivers operate as an interconnected system, but healthcare reveals two different starting loops. Product and distribution companies tend to begin with Growth: innovation and demand require Assets such as manufacturing, pipelines, distribution, and technology; Profit validates the economics; and Cash funds the next cycle. Payers and providers more often begin with Profit: medical-cost trend, payer mix, reimbursement, and productivity shape Cash, which determines how much capacity and technology can be deployed to support future Growth.

The loops meet at access. A breakthrough medicine can create growth for a manufacturer while increasing cost trend for a payer. A reimbursement change can expand adoption for one company while changing payer mix or utilization somewhere else. Technology can release clinician capacity, but only if workflows change. Healthcare value emerges when the drivers reinforce one another across the system, not merely inside one company.

THE TAKEAWAY

1. **Product innovation only becomes durable growth when access and capacity catch up.**

   Pharma, medical device, and distribution have no shortage of growth opportunities. The harder task is building the reimbursement, manufacturing, distribution, physician adoption, and patient access required to turn those opportunities into real-world scale.

2. **Policy, affordability, and growth are converging into the same strategic problem.**

   ACA subsidy changes, No Surprises Act dispute resolution, 340B, GLP-1 access, drug pricing, and reimbursement policy surfaced repeatedly because they can change both price and volume. Across the value chain, growth increasingly depends on who pays, what they pay, and whether patients can access the innovation.

3. **Workforce capacity is part of the care equation.**

   CVS is redirecting pharmacist time toward care, UnitedHealth is using ambient AI to reduce clinician burden, and providers are tying savings to workflow and behavior change. In healthcare, execution is not abstract: employee time, adoption, and operating decisions directly determine how much clinical and financial capacity the system can create.

CASH	PROFIT	ASSETS	GROWTH	PEOPLE
funds choices	proves value	enable access	scales impact	execute strategy

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ABOUT ACUMEN LEARNING

The Commercially Literate Edge

Healthcare leaders are being asked to grow through extraordinary innovation while managing affordability, access, reimbursement, capacity, and financial discipline. The earnings calls in this report show how tightly those choices connect across medical cost trends, product pipelines, sites of care, manufacturing, technology, capital allocation, margins, and execution.

But those strategies cannot be executed by the executive team alone. Clinicians, scientists, commercial teams, operations leaders, pharmacists, supply-chain teams, finance partners, technology teams, and managers across the organization make daily decisions that influence cost, access, productivity, asset utilization, launch adoption, working capital, patient experience, and ultimately growth and cash flow.

For more than two decades, Acumen Learning has partnered with the world's most influential organizations, including 34 of the Fortune 50, to bridge the critical gap between functional execution and financial strategy. Our customized learning solutions help teams understand how the business makes money, how the 5 Business Drivers connect, and how everyday decisions affect the outcomes that matter most to the enterprise.

When people understand why one investment earns capital and another does not, how a reimbursement or workflow decision changes margin, why capacity constrains growth, or how innovation must translate into both patient value and economic value, they make smarter decisions.

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