

# HIMSS08: The Power to Perform



**Ana Schrank**  
**Investor Relations**  
**McKesson Corporation**

# Safe Harbor Clause

Some of the information in this presentation may constitute forward-looking statements that are subject to various uncertainties and could cause actual results to differ materially from those projected or implied. These uncertainties are described in the Company's reports and exhibits filed with the Securities and Exchange Commission.

# HIMSS08: The Power to Perform



**John Hammergren**  
Chairman and Chief Executive Officer  
McKesson Corporation

# HIMSS08: The Power to Perform



**Pamela Pure**  
**President**  
**McKesson Technology Solutions**

***Business***

***MOMENTUM***

**Across the portfolio**

# McKesson Technology Solutions

## Provider Technologies

- Health Systems
- Ambulatory
- Medical Imaging
- Automation

## Health Solutions (Payors)

- Claims Performance
- Medical Management
- Disease Management

## RelayHealth (Connectivity)

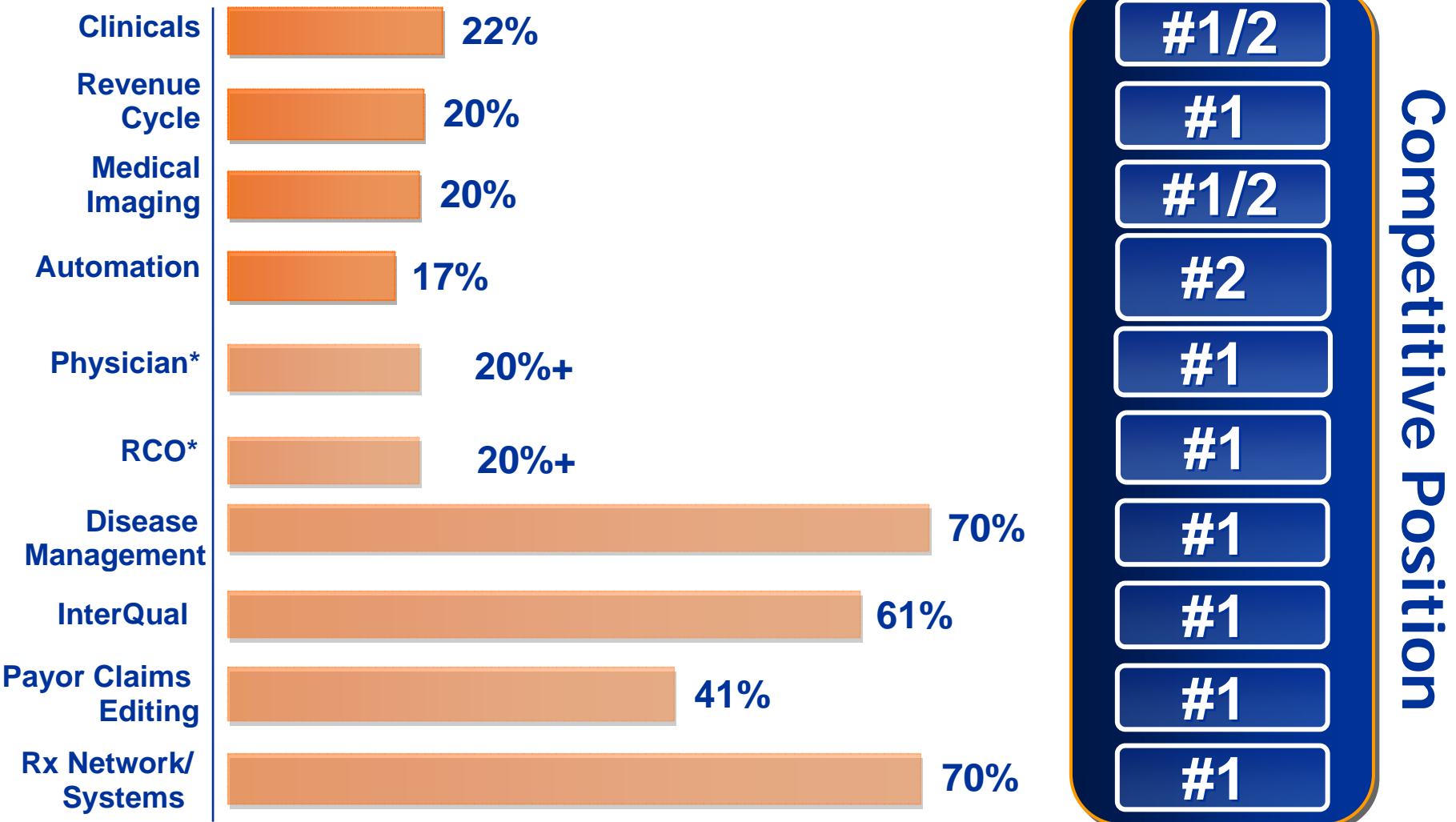
- Consumer
- Provider
- Pharmacy
- Financial

## International Operations Group

- Canada
- United Kingdom
- France/Netherlands
- Australia



# We Have Broad Industry Leadership...



\* Footprint including RelayHealth and Per-Se

Source: Various market research firms; Yahoo!Finance

## ...And Broadscale Adoption

**140,000+** users  
log on to the Physician Portal  
over **4.5 million** times per month

**2 million clinicians**  
rely on Horizon Clinicals  
every day

**120,000 physicians** view & sign  
medical records in the document  
imaging system every day

Bedside bar-code scanning  
**issues 700K “near misses”**  
every week

**60 million** medical imaging exams  
are processed annually in  
**1,000** customer facilities

The Million Dollar Club  
has recorded **\$1.3 billion**  
in revenue cycle improvements

**\$1 trillion** in financial transactions  
pass through RelayHealth  
clearinghouses each year

**325 million medications**  
dispensed by McKesson robots  
virtually error-free

# Momentum Is Strong And Growing

- ▶ Continued demand in the hospital
- ▶ Winning with a complete solution in the physician office
- ▶ Increasing focus on disease management
- ▶ Driving success with RelayHealth



# Healthcare Leadership Strategy

**Patient**



**Hospital**

**Physician Office**

**Payor**

**Pharmacy**

**Connectivity by RelayHealth**

**McKesson gives  
customers the**

**"Advantage"**  
**in**  
**quality, safety**  
**and performance**

# ***Introducing***

# ***Horizon Advantage™***

**Uniting healthcare to improve patient care  
quality, operational excellence and  
financial performance.**



**“One Patient, One Care Team, One Plan”**

# ***Horizon Advantage™***

**Patient Care  
Advantage**

**Physician  
Office  
Advantage**

**Predictive  
Financial  
Advantage**

**Community  
Care  
Advantage**

**Managed Services to Drive Customer Success**

# Patient Care Advantage

*One Patient, One Care Team, One Plan*

Patient Care  
Advantage

Largest clinical solution to date – 8,000+ new features

## ▶ **Integrated**

- Complete patient history across settings
- Unified medical & interdisciplinary care plan
- Medication reconciliation solution part of care process

## ▶ **Sophisticated**

- Advanced dosing support
- Perinatal care risk reduction suite
- Automated medication safety analytics

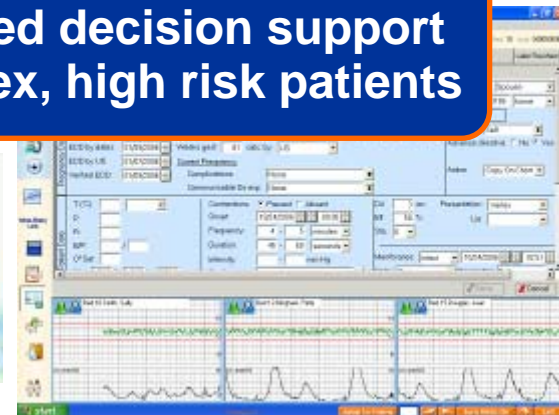
## ▶ **Fast**

- Efficient capture of clinical data
- <1 minute to customize a care plan



Patient-centric record of  
medications & allergies

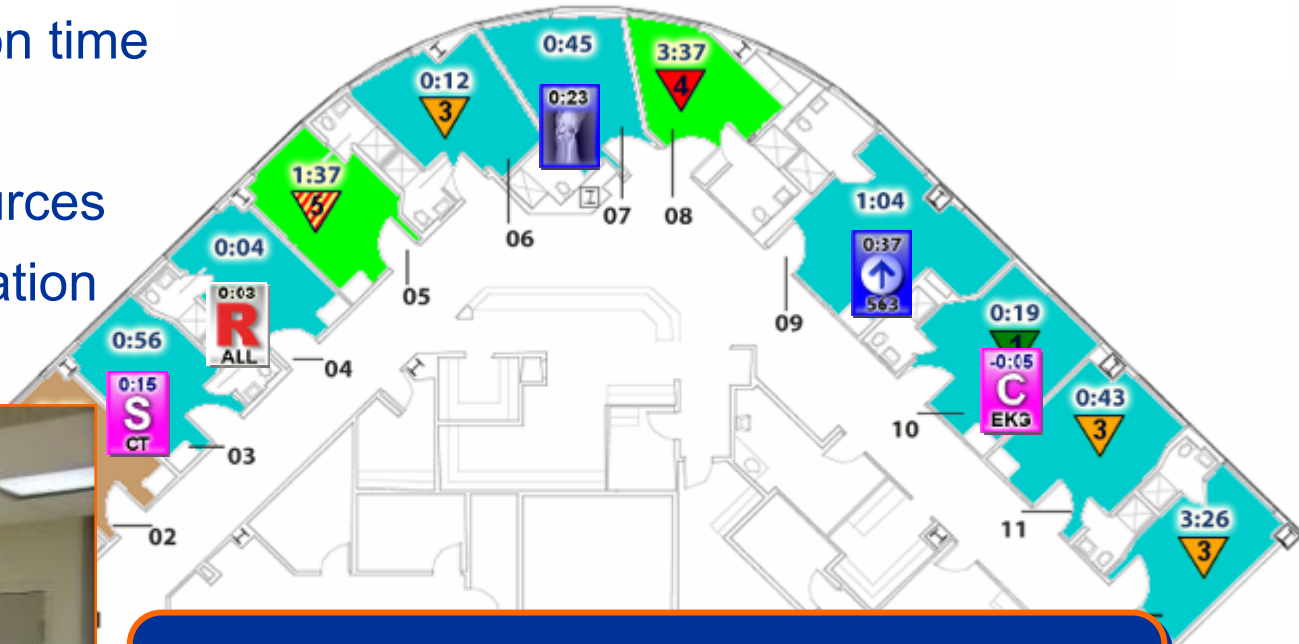
Specialized decision support  
for complex, high risk patients



# Patient Care Advantage

## Enterprise Visibility to Improve Throughput

- Speed clinical decision time
- Reduce care delays
- Manage scarce resources
- Maximize asset utilization



**At-a-glance views of  
hospital floor plan with  
patient status and location**



# Physician Office *Advantage*

Aligning and integrating physicians

Physician  
Office  
*Advantage*

## Connected and Complete

- ▶ Revenue optimization
- ▶ Electronic health record
- ▶ Practice management
- ▶ Connectivity
- ▶ Clinical and office supplies



# Announcing Community Care *Advantage*

The First Solution to Proactively Manage the Health of the Community

A blue hexagonal logo with a yellow border containing the text "Community Care Advantage" in white.

Community  
Care  
*Advantage*

## Community Care Advantage

Community Care Advantage provides the technology and services required to proactively manage wellness, promote chronic care management and provide the required care services to support the indigent population. The solution is designed to promote community health, consumer convenience and to ensure cost-effective delivery of evidence-based care.

# Announcing Community Care Advantage



1

## Community Health Services

# The Solution



## Indigent Care

- ▶ Identify and stratify high -utilizing patients
- ▶ Establish and reinforce the Medical Home
- ▶ Assist with medical and pharmacy coverage, and community resources
- ▶ Assist with disease education and self-management



## Readmission Management

- ▶ Follow-up care (appropriate continuity)
- ▶ Medication reconciliation
- ▶ Self-care and decompensation

2

## Consumer Health Technologies



### Care Management Workflow

- ▶ Evidence-based clinical programs
- ▶ Symptom assessment
- ▶ Referral management
- ▶ Health navigation



### Community Health Marketing

- ▶ Targeted care programs
- ▶ Health coaching
- ▶ Coordination of community health classes
- ▶ Wellness screenings



### Patient Education Programs

- ▶ Consumer-oriented health topics
- ▶ Multimedia programs
- ▶ Digital animation



The screenshot shows the Winnipeg Regional Health Authority website. At the top left is the logo and name in both English and French: "Winnipeg Regional Health Authority / Office régional de la santé de Winnipeg" with the tagline "Caring for Health / À l'écoute de notre santé". On the right is the "Encompass" logo. A red circle highlights the "HEALTH LINKS" and "INFO SANTÉ" logos. A left-hand navigation menu lists categories like "About the WRHA", "Hospitals", "Aboriginal Health", "Community Health", "Long Term Care", "Programs", "Research", "Manitoba eHealth", "Health Info", "Media Desk", "Careers", "WRHA Staff", and "Contact Us". The main content area features a "HEART HEALTH MONTH" banner with a red heart and a photo of a person in a red winter outfit. Below this are three featured articles: "Patient Safety", "Wait Lists", and "Aboriginal Health". A "More News" section lists articles such as "Learn the Basics and Benefits of Yoga", "Apply now to become a member of a Community Health Advisory Council", "Influenza Surveillance Update for Feb. 19", "Apply now to become a member of the Mental Health Advisory Council", and "Grace Hospital Joins Winnipeg Health Region". On the right, there is a "WRHA Careers" section with a photo of a man and the text "There are many employment opportunities available throughout the Winnipeg Health Region." Below this is a "View current openings" link and an "Of Interest" section listing "Winnipeg Health Services Directory", "Manitoba infohealth Guide", "inFLUenza", and "Winnipeg in motion". At the bottom right, a "POWERED BY" logo for "RelayHealth" is displayed.



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## Congestive Heart Failure Disease Management Results

- Patients **quickly accepted assistance** and **learned self-management**
- Medication compliance assisted in **reduction of ED visits**
- Assessment tools and monitoring calls **reduced unnecessary visits to ED and readmissions**
- 70% of program participants lost weight

Safe patient care occurs in a culture of honesty, trust, respect and open communication.

[Read more . . .](#)

This website provides Manitobans with information about waiting times for various tests and treatments.

[Read more . . .](#)

Committing to the Aboriginal community by implementing actions that address healthcare needs.

[Read more . . .](#)

POWERED BY  RelayHealth

Consumer Convenience Solutions provide innovative connectivity between patients and providers, payors and retail pharmacies.

## Patient connectivity

- Easy online bill pay
- Appointment requests
- Prescription refills

## WebVisit® online doctor visits

- Online consultations
- Clinically structured & reimbursed

## Clinical communication

- Colleague-to-colleague messaging
- Referral requests
- Test results sent electronically



# Announcing Horizon Managed Services

- ▶ Advanced IT deployments challenged by competition for capital, scarce resources, and limited rollout experience
- ▶ Horizon Managed Services includes:
  - Remote hosting with database management, security, disaster recovery and help desk
  - Accelerator services to speed implementations and upgrades
  - Extended support services that features continuous training, rollout and user support
- ▶ Leverages McKesson's volume deployment experience and scale of resources



***Care Fully Connected***  
***with RelayHealth***



***Care Fully Connected***  
***with RelayHealth***



# Improving Performance Through Connectivity



# New Services Drive Customer Success and Expanded Connectivity for Healthcare



## Pharmacy

- ▶ Easy340B™
- ▶ eVoucherRx™
- ▶ IntegrateRx™ - Medication History Portal
- ▶ EasyFSA™

## Provider/Consumer

- ▶ Healthcare Banking
- ▶ Payor-Direct Initiative
- ▶ Expanded health plan reimbursement for webVisit® consultations
- ▶ Results Distribution Service

# Recent Results Distribution Wins



# Engage Consumers ...

## Examples of consumer portal: Montefiore, NY

See our other sites >

**MONTEFIORE**

GET ON A HEALTH CLICK.

EMAIL YOUR DOCTOR.  
RENEW PRESCRIPTIONS.  
SCHEDULE APPOINTMENTS.

Welcome to  
**MyMontefiore**  
Your online health connection

> LOCATE A GROUP PRACTICE | > FIND A DOCTOR | > ESPAÑOL

**Get on a Health Click!**

Staying in touch with your doctor just got easier: anytime, anywhere, from any Internet connection. It's easy, secure and for your non-urgent needs, you may even save yourself an office visit. No more waiting on hold for appointments or medication refills. No more talking to people other than your doctor about private matters. With MyMontefiore, you can:

- > Email your doctor.
- > Schedule your next appointment.
- > Check on your lab results.
- > Request a medication refill.
- > Access health information to manage your health.
- > Create your own personal health record, especially useful for those managing a chronic condition.

Want to click with your doctor? It's easy to get started.

**New Users:**

> Register Now

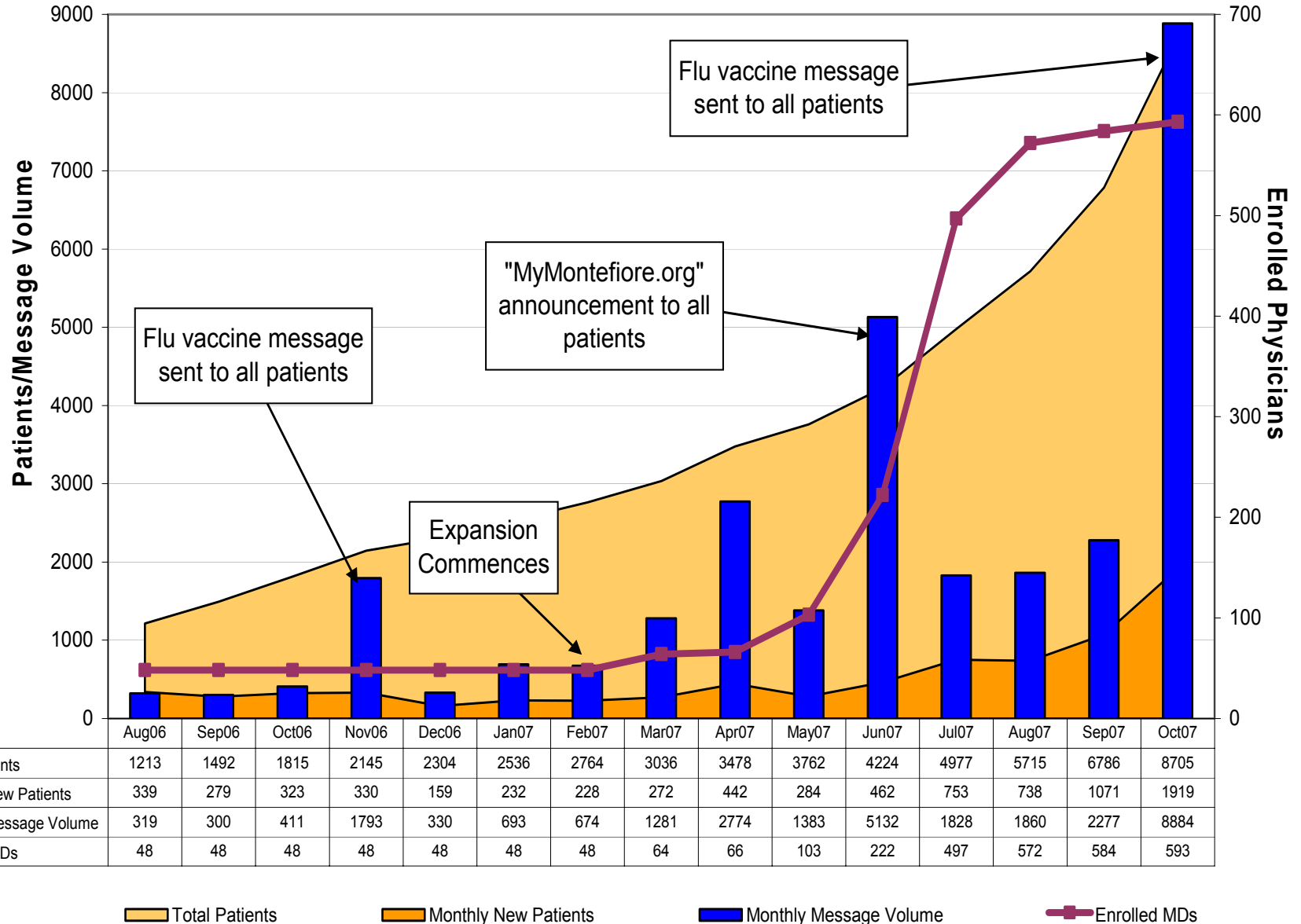
**Already registered?**

> Sign In

> Frequently Asked Questions

POWERED BY **RelayHealth**

Patient Health Education | Montefiore Medical Group | Montefiore Medical Center



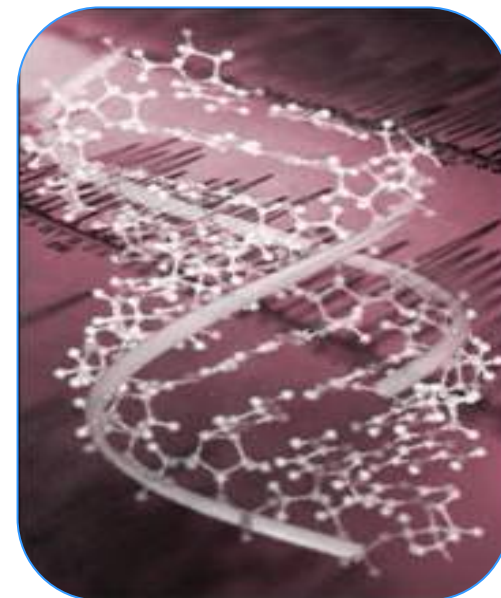
***Driving innovation,  
creating **the future*****



# Driving Innovation, Creating the Future Moving from Reactive Care to Predictive Care

## McKesson Innovation

- ▶ Innovation in predicting illness and adverse therapeutic reactions to prevent them
- ▶ Harnessing the genome to personalize clinical decisions
- ▶ Strategic agreement with Proventys
  - Use of proven bio-statistical models to create individualized predictive risk assessments
  - Strong clinical credibility, association with Duke



***Customer success  
fuels our growth***



# Customer Success

## IASIS Healthcare

- ▶ 16 hospitals in 6 states
- ▶ Systemwide approach to clinical system deployment
- ▶ Monitor and measure key quality and performance indicators
- ▶ David White, Chairman & CEO
- ▶ Sandra McRee, President & Chief Operating Officer

The logo for IASIS Healthcare is displayed within a rounded rectangular frame. The word "IASIS" is written in a large, blue, serif font, with a horizontal line underneath it. Below the line, the word "HEALTHCARE" is written in a smaller, blue, sans-serif font, followed by a registered trademark symbol (®).

**IASIS**  
HEALTHCARE®

# The McKesson “**Advantage**” The Power to Perform

- ▶ **Strong business momentum**
- ▶ **McKesson gives customers an advantage**
- ▶ **Care fully connected with RelayHealth**
- ▶ **Driving innovation, creating the future**
- ▶ **Customer success fuels our growth**

# Customer Success

## Dublin Methodist Hospital

- ▶ 94 licensed beds, opened 1/8/08
- ▶ Part of Ohio Health
- ▶ Pebble Project hospital
- ▶ Paperless, 100% adoption of technology
- ▶ Michael Krouse, Senior Vice President, Chief Information Officer



# Breakout Sessions – Booth Tour

## ▶ Hospital

- Michael Krouse, Senior Vice President/CIO, Ohio Health
- Duncan James, Group President, Health Systems

## ▶ Medical Imaging

- Rod O'Reilly, Senior Vice President, Medical Imaging

## ▶ Physician Office

- Dave Henriksen, General Manager, Physician Office Solutions

## ▶ Community Care

- Kim Flores, Vice President/GM, Medical Management Services, RelayHealth
- Ricardo Guggenheim, Vice President, Product Management, Design and Development, McKesson Health Solutions

# Q&A

The text "Q&A" is rendered in a large, bold, blue font with a white outline. It is centered on a white background and surrounded by a stylized sunburst or fan-like graphic composed of numerous thin, overlapping rays in shades of light blue and white, radiating outwards from behind the text.



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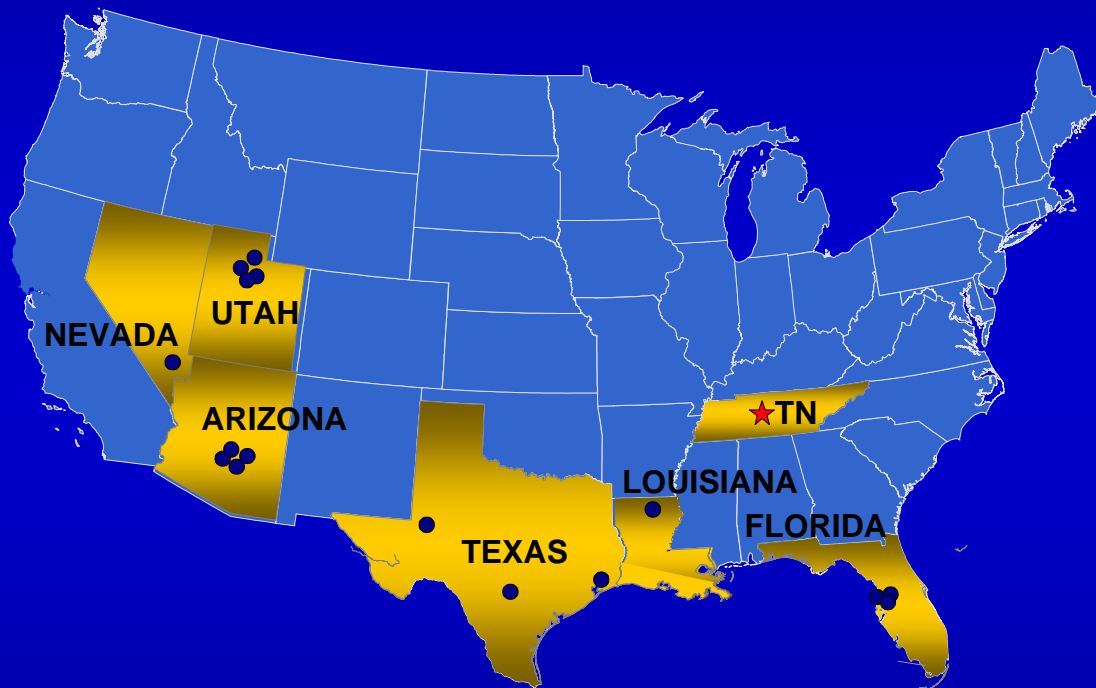
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**McKesson Investor Briefing  
HIMSS February 2008**

**Presented by Sandra McRee,  
President and Chief Operating Officer  
IASIS Healthcare**

# IASIS OVERVIEW

IASIS is a leading owner and operator of medium-sized community hospitals



- ★ Corporate office
- Hospital facilities

Company formed in 1999

16 hospitals in 6 states

2737 beds in service

10,000 employees

\$1.9 billion in annual net revenue

# THE IASIS VISION

In 2004, IASIS partnered with McKesson to bring advanced clinical information systems to all of its hospitals

## Advanced Clinical Information Systems

Computerized Charting

Electronic Medical Record

Physician Portal

Barcode Medication System

- ◆ Capital investment of over \$30 million
- ◆ Aggressive four year implementation schedule
- ◆ Goals:
  - Improve patient safety and quality
  - Extract data to monitor key quality and performance indicators
  - Benchmark clinical performance across the organization

# ACCELERATED DEPLOYMENT

IASIS will complete installation of advanced clinical information systems this week

## ◆ Typical Hospital Installation - 10 months

**10 months x 16 hospitals = 13.3 years**

## ◆ IASIS Accelerated Deployment Model

- ◀ Single hospital – 6 months
- ◀ Region of three hospitals – 9 months
- ◀ Region of four hospitals – 10 months

**Project completed in four years**  
- Including two brand new hospitals and two acquisitions

# SYSTEM STANDARDIZATION

Standardization ensures accurate comparative data

**Assess & Prioritize**

```
graph TD; A[Assess & Prioritize] --> B[Agree & Design]; B --> C[Build & Launch];
```

**Agree & Design**

**Build & Launch**

## ◆ Standardization Success

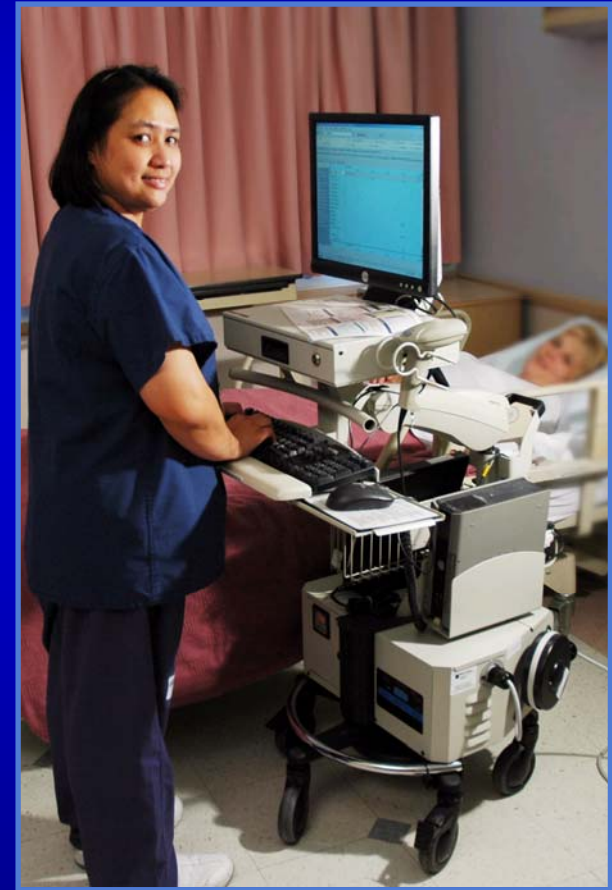
- Top-down mandate with clearly articulated goals
- Developed true partnership with McKesson
- Standardization team included corporate representation and one RN from each IASIS hospital
- Six-month process with weekly calls and four group meetings
- Standardization team held accountable for success of each hospital's "go live" events

# CHALLENGE: IMPROVE QUALITY

## McKesson Solution: Horizon Electronic Documentation

### ◆ Benefits

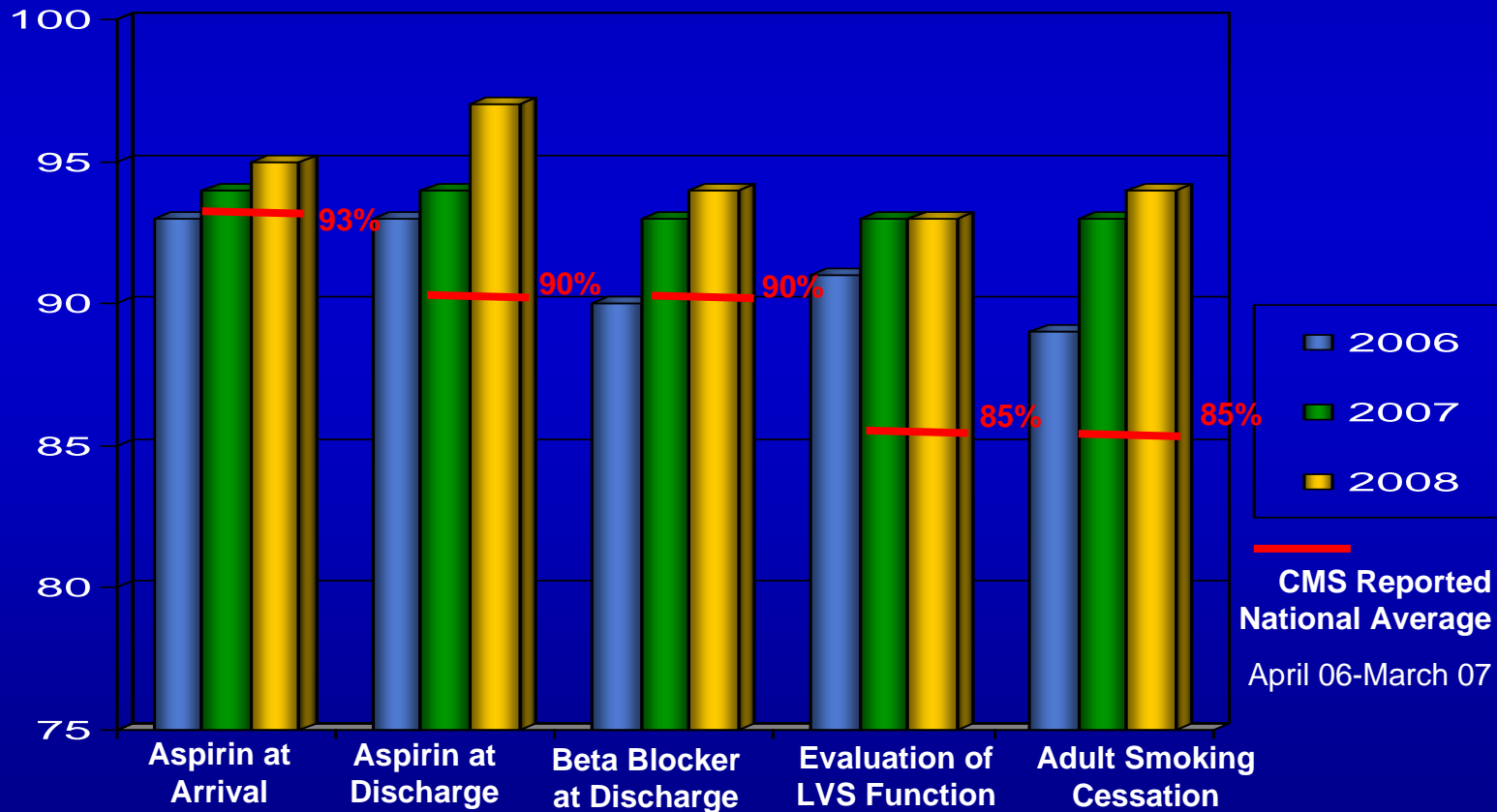
- Connects all caregivers to a single source of real-time information
- Reduces nursing documentation time
- Faster retrieval of medical records
- Reduces supply and labor costs
- Enables data extraction for performance analysis, benchmarking and quality improvements



# RESULTS: CORE MEASURES

Significant improvement in compliance with core measures;  
IASIS hospitals at or above national standards

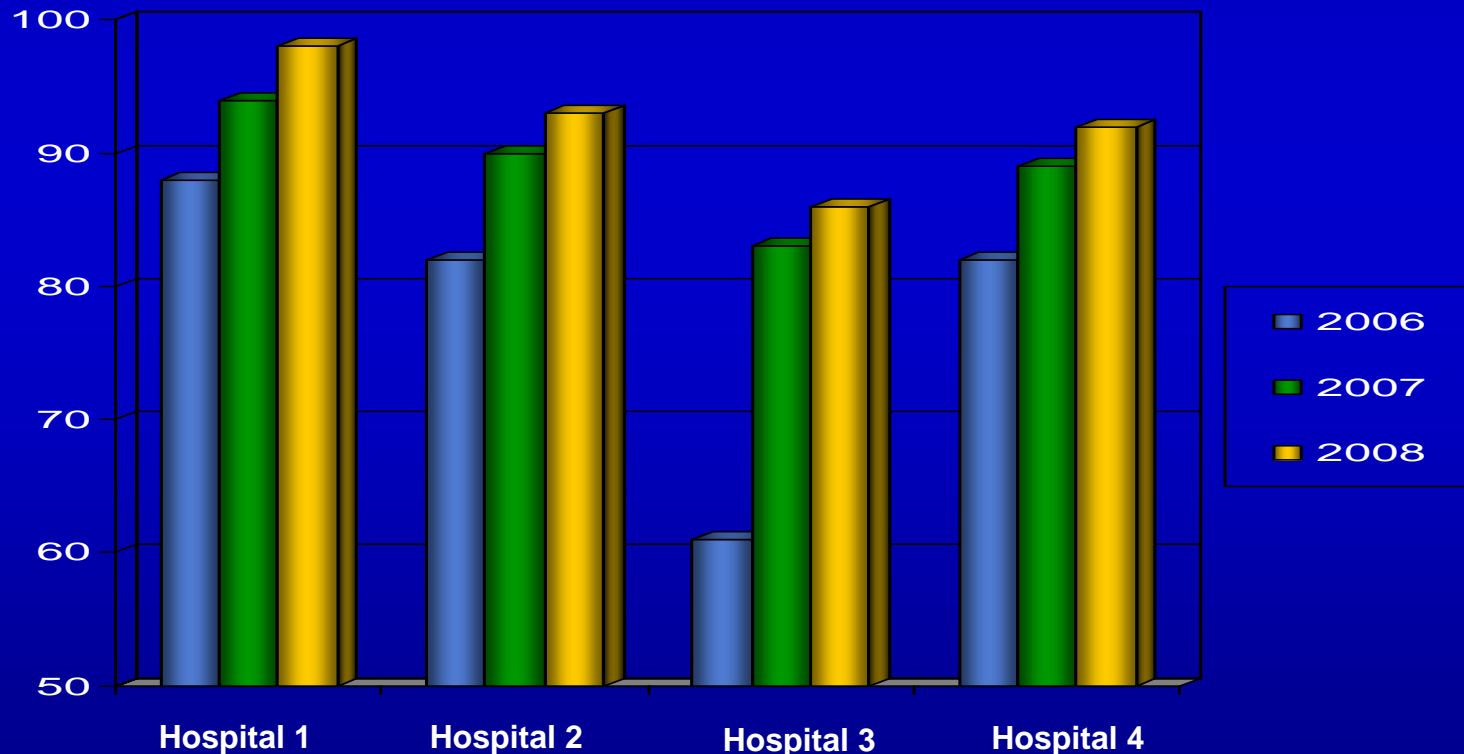
## ◆ Company-wide compliance with selected core measures



# RESULTS: CORE MEASURES

Significant improvement in compliance with core measures  
at lower performing facilities

## ◆ Improvement in core measure compliance at selected facilities



# CHALLENGE: CONNECT THE PHYSICIAN

## McKesson Solution: Physician Portal

### ◆ Benefits

- Connects the physician to the patient and hospital via secure Internet access
- Allows multiple providers to simultaneously access the EMR
- Improves chart completion time
- Improves cash flow, reduces days in A/R
- Enhances physician satisfaction and physician recruitment efforts



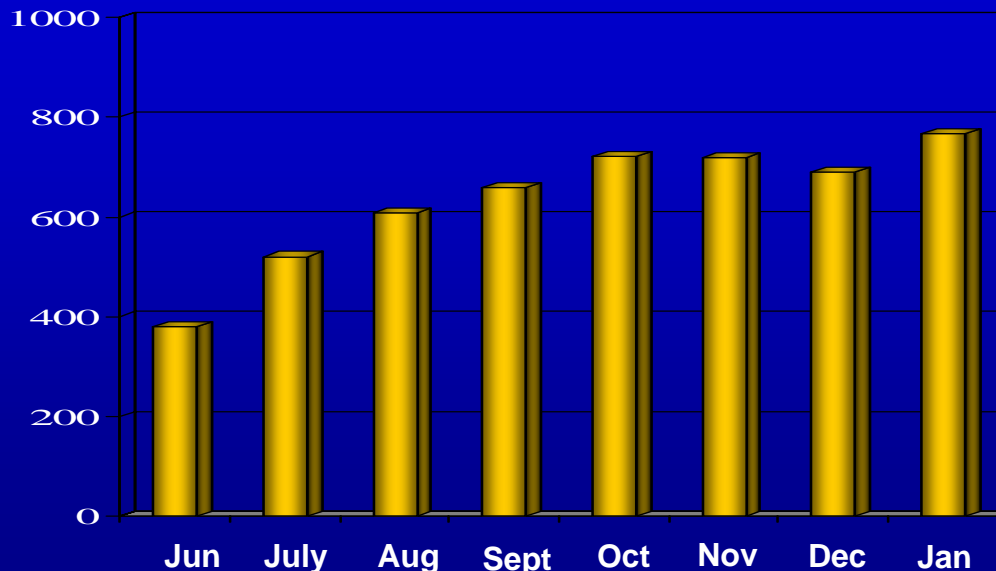
# RESULTS: STRONG PHYSICIAN ADOPTION

Physicians are increasingly using the portal to monitor up to the minute clinical information about their hospitalized patients

## ◆ Utah Physician Portal – January 2008

Physician portal users this period:	1055
Average daily log-ins:	766
Average session:	28 minutes

## ◆ Utah Average Daily Logins during the past 8 months



766 daily log-ins in  
January 2008

# CHALLENGE: IMPROVE SAFETY

## McKesson Solution: Admin Rx

### ◆ Benefits

- Barcode scanning technology verifies the five RIGHTS

**Right PATIENT**

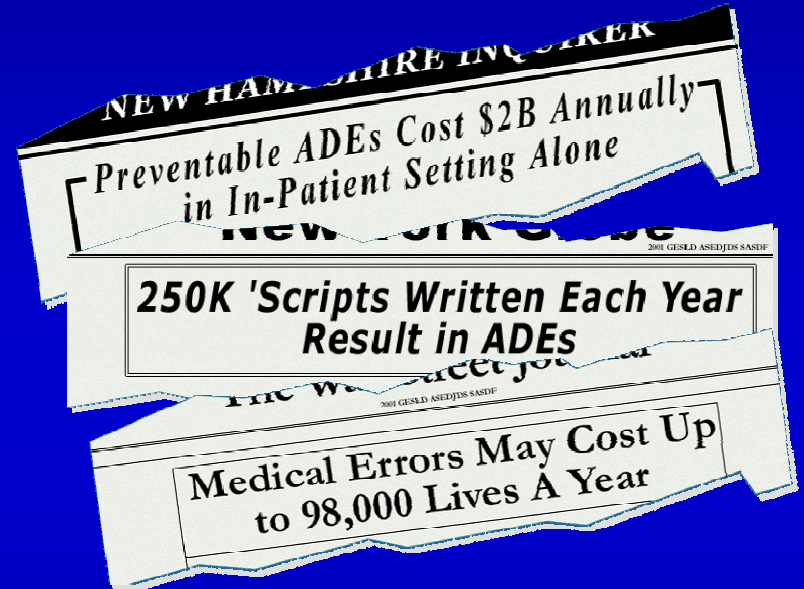
**Right MEDICATION**

**Right DOSE**

**Right TIME**

**Right ROUTE**

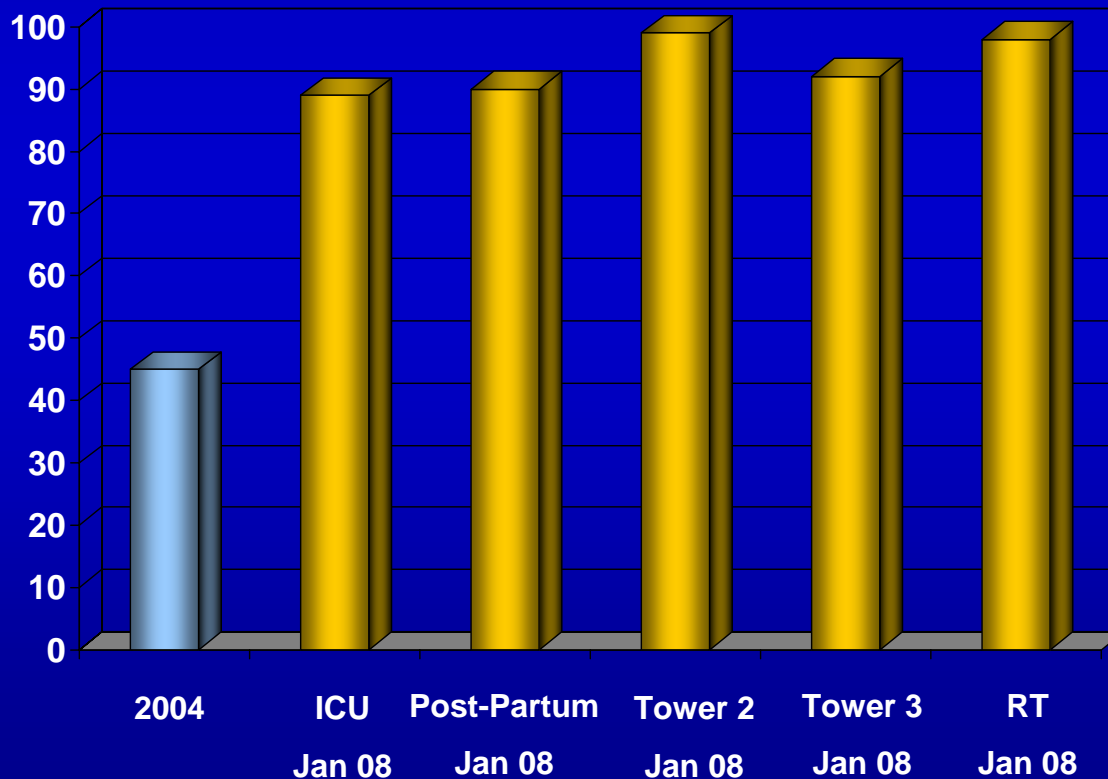
- Alerts to medication allergies and possible drug-to-drug incompatibility



# RESULTS: MEDICATION SAFETY

Barcode scan rate is increasing at all IASIS hospitals

- ◆ Barcode scan rate has more than doubled to 90% - 99% compliance at the first IASIS hospital to implement system



IASIS  
HEALTHCARE®

# HIMSS08: The Power to Perform



**Duncan James**  
Group President, Health Systems  
McKesson Technology Solutions

**Michael Krouse**  
Senior Vice President/CIO  
Ohio Health

# Hospital and Health Systems “Headline Summary”

- ▶ Continued clinical IT demand
- ▶ Proven clinician acceptance with accelerated adoption
- ▶ Extending Horizon Clinicals leadership



# Patient Care Advantage

Delivering Safe, Efficient Care in the Hospital

**Unifies the Care Team**  
*To drive evidence based practice*



**Eliminates medication errors**

**Anticipates staffing needs**

**Optimizes Patient Flow**

# Patient Care Advantage

*One Patient, One Care Team, One Plan*

Largest clinical release to date – 8,000+ new features

## ▶ **Integrated**

- Complete patient history across settings
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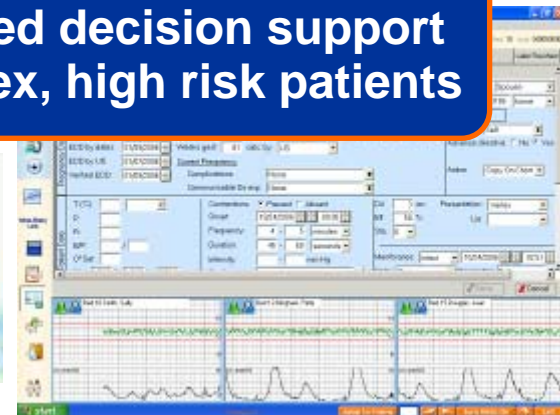
## ▶ **Fast**

- Efficient capture of clinical data
- <1 minutes to customize a care plan



**Patient-centric record of medications & allergies**

**Specialized decision support for complex, high risk patients**



# Horizon Clinicals<sup>®</sup> *Care Team* Release

## Extends Clinical Leadership

### Builds upon strong market momentum:

- ▶ 2 million clinicians initiate > 50 million clinical transactions each week
- ▶ First to connect patient monitoring devices to an electronic health record
  - > 250,000 devices supported
- ▶ First to market with a point-of-care bar-code medication administration solution
  - > 700,000 medication errors prevented each week
- ▶ Industry's most widely adopted clinician portal
  - > 4.5 million logins each month



# Horizon Clinicals Success

## Proven Clinical Acceptance and Adoption

- ▶ 674 Horizon Clinicals “go-lives” YTD
- ▶ Mandated 100% CPOE usage at go-live becoming the norm
- ▶ Dublin Methodist Hospital, (Ohio Health) opened their new “digital” hospital on Tuesday, January 8, 2008. The all-digital facility opened with 27 of the Horizon Clinicals applications and modules live from day one...Paperless, Wireless, Filmless.



*Compassion. Integrity. Excellence. Stewardship.*

*Together we are*  **OhioHealth**

**OhioHealth**



# Our Mission

To improve  
the **HEALTH**  
of those we  
**SERVE**

- Not-for-profit, faith-based health system
  - West Ohio Conference of United Methodist Church
- Serving a 46-county region
  - 16 hospitals
  - 17 ambulatory sites in Columbus metro area
  - Extensive services in home care, hospice and employer health
- Our organization
  - 14,000 employees
  - 2,100 physicians
  - 5,000 volunteers
  - 95,000 admissions
  - 1.6 million outpatient visits



# National Recognition



**CONSUMER CHOICE #1**  
NATIONAL RESEARCH  
*Corporation*  
Riverside  
1996-2007

100  
**SOLUCIENT**  
TOP HOSPITALS

**FORTUNE®**  
**100 BEST**  
**COMPANIES**  
**TO WORK FOR 2007**



National Success Story  
Award Winner



# Ohio Health/McKesson Partnership

McKesson is a proven partner of Ohio Health:

- Designed and implemented a Medication Safety Program in 2006
  - Barcode technology and services to deliver bar-coded medications to the patient
  - Robotics for drug dispensing
  - Medication Administration software to ensure that the right medication is given to the right patient
  - Clinical Transformation consulting services to ensure adoption and best practice
- Collaboration with the Ohio State Board of Pharmacy
  - First to deliver software code to meet regulatory issues related to single sign-on and dual authentication for medication transactions
  - Ohio State Board of Pharmacy is considered the model for many state programs



# OhioHealth/McKesson Partnership

Medication Use Process (% reflects industry error average)





# OhioHealth/McKesson Partnership

## Results

- Surpassed Medication Safety Adoption Goal of 95%:
  - Doctors: 97% compliance (>2,000 meds administered per day)
  - Grant: 98% compliance (>5,000 meds administered per day)
  - Riverside: 97% compliance (>12,000 meds administered per day)
- Eliminated virtually all medications errors related to
  - Wrong Patient
  - Wrong Medication
  - Wrong Dose
  - Wrong Route

Ohio Health was able to reduce our excess malpractice coverage from Lloyds of London reinsurance by 15% through the implementation of McKesson Horizon Clinicals



# Ohio Health/McKesson Partnership

## Dublin Methodist Hospital "All Digital" Hospital Project

### Dublin Methodist Hospital

- 150 million dollar project
- Opened January 8, 2008
- 94 licensed beds (expandable to 300)

### The Dublin project redefines Patient Care to ensure:

- World class levels of Patient Safety
- Market leading Clinical and Financial Outcomes
- Market differentiation with our:
  - Physicians, Patients, Employees and Employer Community

### Pebble Project Hospital

- Evidence-based Facility Design Approach
  - 1 of only 53 hospitals in USA and the only "All Digital"
- Technology Innovations
- Elimination of paper and redundant process







# Ohio Health

## Dublin Methodist Hospital "All Digital" Hospital Project





# Dublin Methodist Hospital Powered by McKesson

## Gardens for the Soul, Bar Codes for Safety



### Congratulations from McKesson to Dublin Methodist Hospital

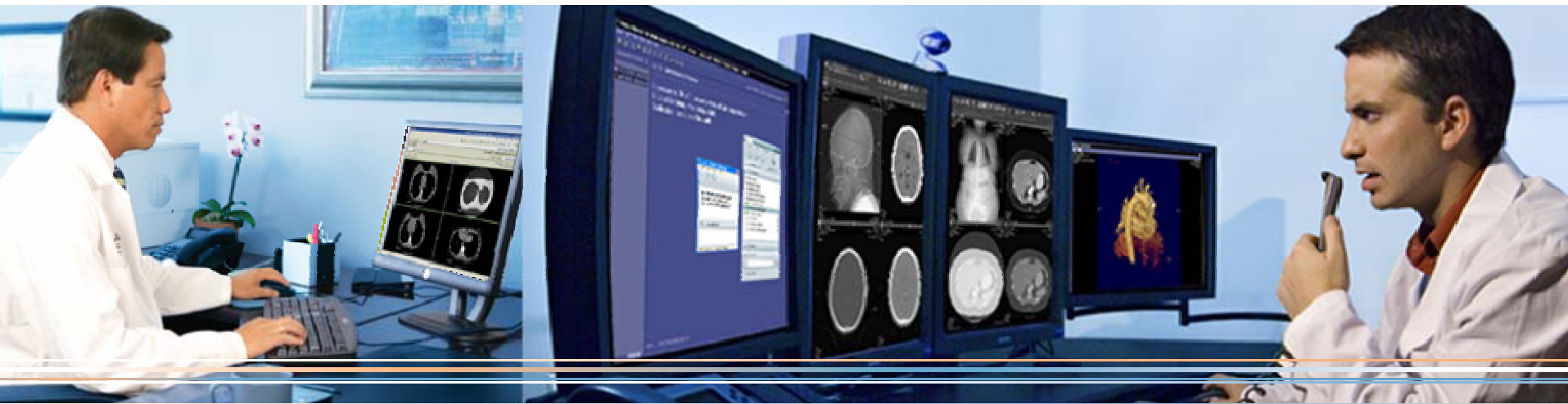
- “All-digital” hospital powered by McKesson software - Horizon Clinicals, revenue cycle, resource management
- 100% physician adoption of Horizon Expert Orders CPOE on Day 1
- Patient care documentation, bar-code scanning of medications at the bedside
- Fully automated emergency department, lab, OR, business office, etc.
- The Ohio Health system is implementing RelayHealth to drive physician and patient connectivity

# Hospital and Health Systems “Headline Summary”

- ▶ Continued clinical IT demand
- ▶ Proven clinician acceptance with accelerated adoption
- ▶ Extending Horizon Clinicals leadership



# Medical Imaging Group



**Name: Rod O'Reilly**

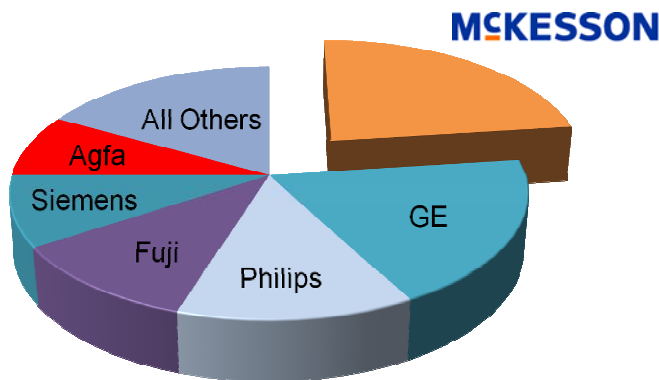
**Title: Senior Vice President and General Manager**

**Business Unit: Medical Imaging Group**

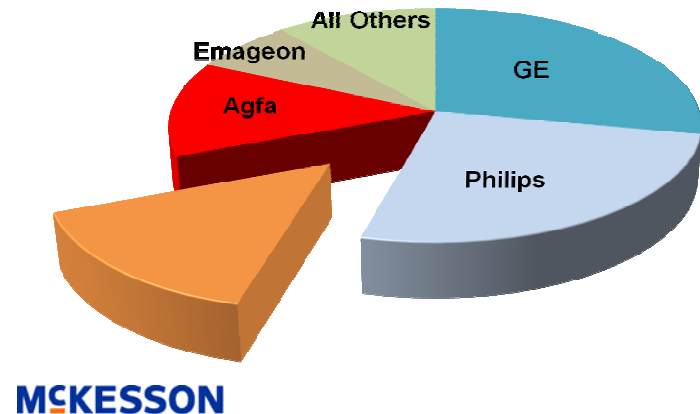
# Medical Imaging Growing Faster than Market

- ▶ Capturing more market share from other players
  - Demand for IT-based solutions
  - Proven results
- ▶ Success in cardiology
  - Increasing demand for integrated CVIS solutions and enterprise imaging

**Radiology PACS Market Share**



**CVIS Market Share**



# Success in Radiology & Cardiology

## Success in the replacement market

- ▶ Healthy demand for our solutions
  - Both Radiology and Cardiology
- ▶ Implementation, integration and support model

## Leveraging the McKesson installed base

- ▶ Synergies with other McKesson business units, e.g., Revenue Management Services
- ▶ Continue to develop and sell add-on product modules and professional services into customer base
  - (HC-Hemo, ECG, HMI-Mammo, HMI-ER-Discrepancy, etc.)



# We have been busy replacing other vendors' Imaging Systems!



# We have been busy replacing other vendors' Imaging Systems!



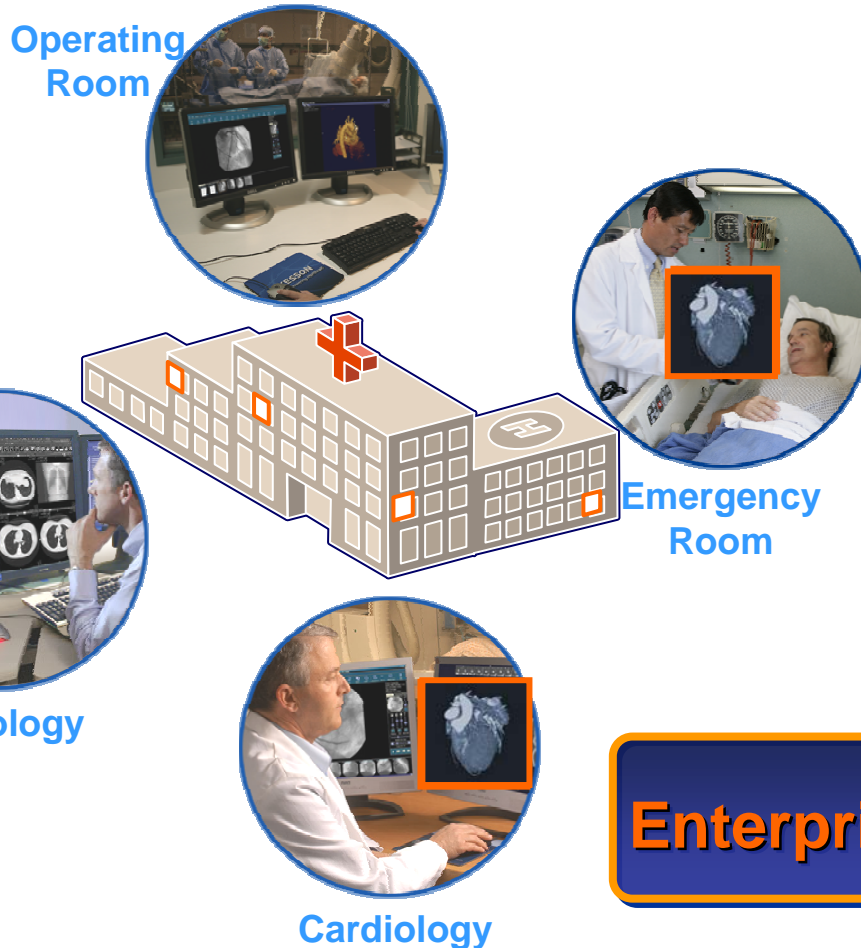
**Academic & large IDNs are replacing their historical, modality-based PACS with McKesson Enterprise Solutions**



# Enterprise Imaging – Driving Demand

▶ Enterprise imaging is a strategic requirement

- 1<sup>st</sup> generation, Modality-centric, departmental solutions no longer in demand
- 2<sup>nd</sup> generation Focus is on clinical workflow and Interdepartmental communications

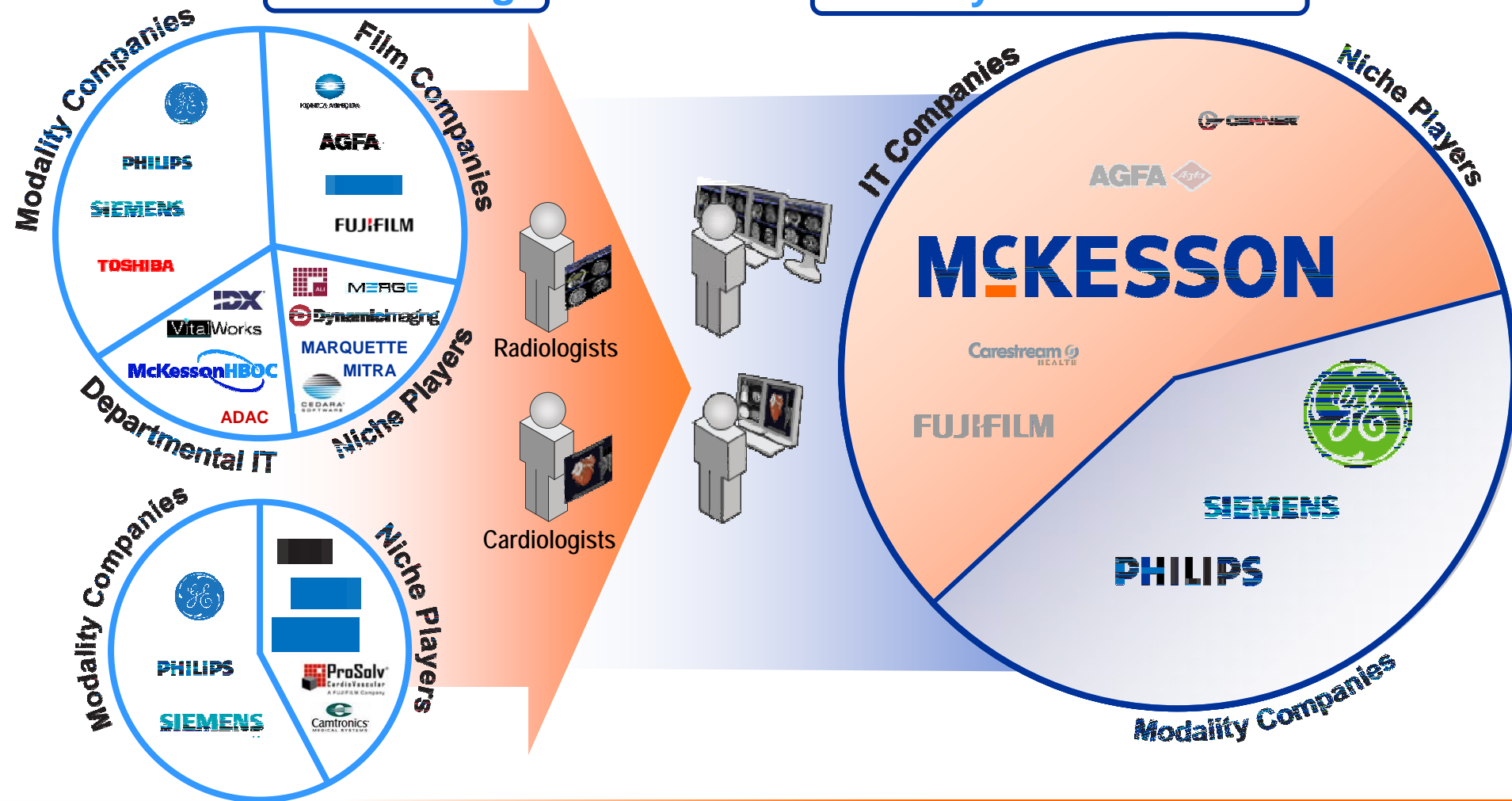


**Enterprise Image Management = IT**

# Industry Battle Lines - Growth, Convergence and Consolidation

10 Years Ago

Today - IT decision



# Continued Growth for MIG

## Expanding Channels

- ▶ Continue to leverage install base of other business units
- ▶ Sell into install base
- ▶ Further expand Professional Services portfolio

## IT Integration & Services

- ▶ RIS/PACS, HC/HMI
- ▶ Monitoring & Reporting, Enterprise Worklist, platform, content management, Secure Exchange, Hosted Storage, Hosted Application, Outsourced Reading

## Workflow tools

- ▶ Patient & Research Tracking , Charge Posting, workflow & dictation tools, VR Dictation, Research Tools
- ▶ Coding, billing, Clinical Authorization, appropriateness

## Diagnostic tools

- ▶ Simple tools, advanced visualization, dedicated clinical apps
- ▶ Complex post process, CAD

**Medical Imaging is more than Radiology-PACS!**



# Physician Practice Solutions



**David Henriksen**  
**Vice President and General Manager**

# McKesson's Ambulatory Solutions are ...

...best positioned to lead the physician market through a keen understanding of the **diverse customer segments** comprising this market. This diversity is best served by **multiple channels, a broad product portfolio, and operational excellence to ensure success.**

# What Physicians Need

- ▶ Help solving the financial, clinical and operational needs of the physician practice
  - Revenue Optimization
  - Electronic Health Record
  - Practice Management
  - Connectivity
  - Clinical and Office Supplies



# Strategic Acquisitions

## Complete the portfolio



- ▶ Revenue cycle outsourcing market leader with >15,000 MDs
- ▶ Reach to 100,000+ physicians on Medisoft/Lytec
- ▶ Extensive channel reach with more than 350+ VARs



- ▶ Award-winning integrated PM/EHR solution for the independent physician practice
- ▶ Reach to 6,500+ physicians



- ▶ RelayHealth Consumer connects physicians to patients and other physicians
- ▶ RelayHealth Provider Connects practices to their Payors to process claims

# Strategic Acquisitions

## Complete the portfolio



- ▶ Revenue cycle outsourcing market

- ▶ Award-winning integrated PM/EHR

- ▶ RelayHealth Consumer connects physicians to

**Most Comprehensive Offering with the Broadest Channel Reach in the Industry**

- ▶
- ▶

with more than 350+ VARs

er  
to  
ess

# Physician Office Strategy: Comprehensive Solution

## Most Comprehensive Portfolio in the Industry

### Connect

Gain rapid, wide spread physician connectivity in the community

RelayHealth

### Electronic Health Record

#### EHR Integrated

INTEGRATED shared patient record across care settings

RelayHealth

Horizon Ambulatory Care

Horizon Practice Plus

#### Independent

Award winning EHR for independent physicians

RelayHealth

Practice Partner

### Complete

Improve financial performance to fund EHR initiative

RelayHealth

Electronic Health Record

Practice Management

Revenue Cycle Management

Supplies

# Physician Office Strategy: Comprehensive Solution

## Most Comprehensive Portfolio in the Industry

### Connect

Gain rapid, wide spread physician connectivity in the community

### Electronic Health Record

#### EHR Integrated

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#### Independent

Award winning EHR for independent physicians

### Complete

Improve financial performance to fund EHR initiative

**135,000 providers have McKesson solutions in their practice**

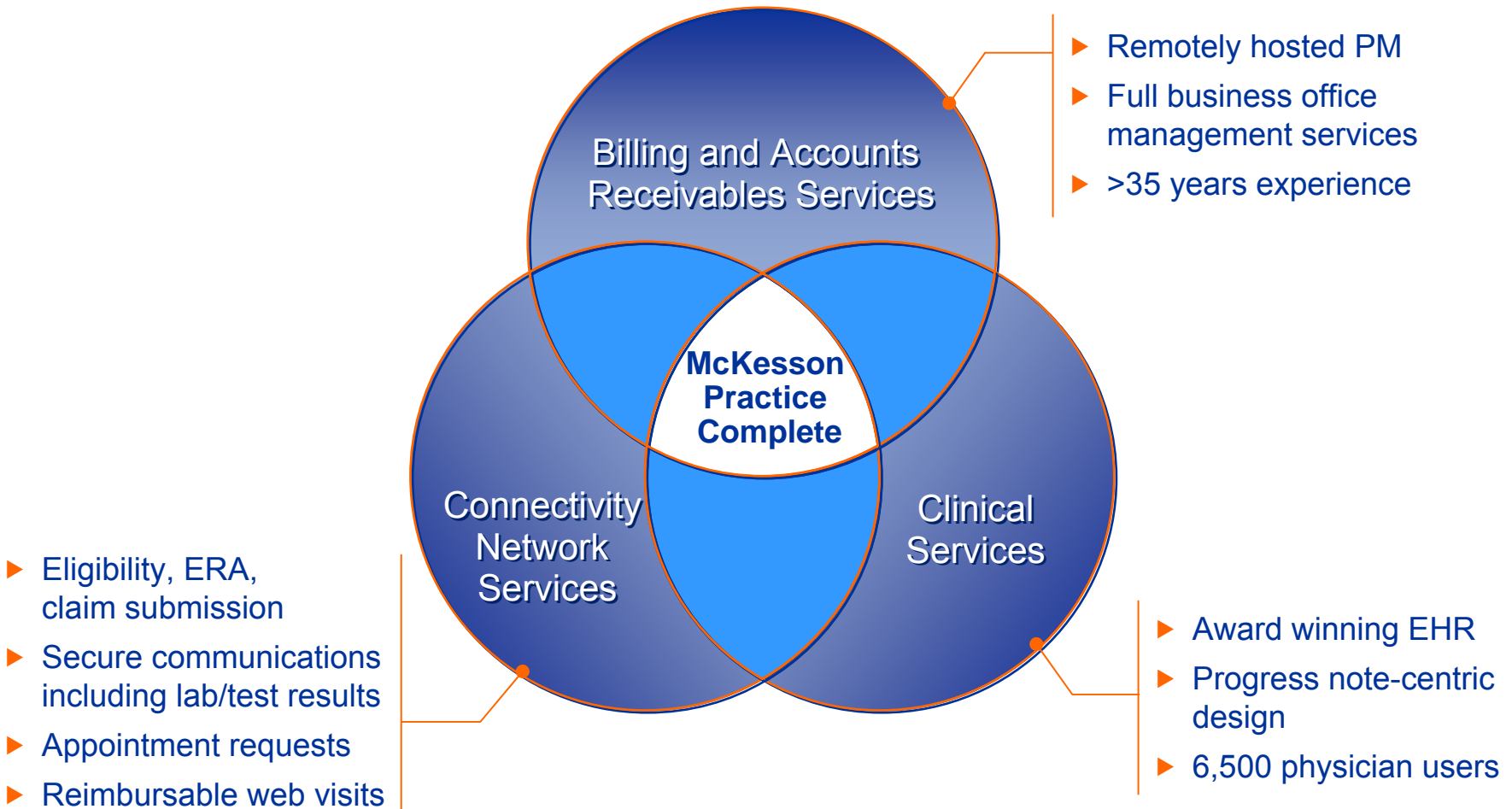
Horizon

Practice

**561 Billion ambulatory EDI transactions processed annually**

Supplies

# McKesson Practice Complete™



# Midwest Orthopedic Clinic

## Peoria, IL

Primary Motivation	Financial improvement
--------------------	-----------------------

# Physicians	11
--------------	----

- ▶ Misys replacement
- ▶ Replacing in-house billing operation
- ▶ McKesson ASP-hosted

Patient Records	✓
-----------------	---

Appt. Scheduler	✓
-----------------	---

Medical Billing	✓
-----------------	---

Revenue Mgmt Solutions	✓
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# St. Joseph's Physician Enterprise (CHI)

## Towson, MD

Primary Motivation

Standardize operations  
Reporting consistency

# Physicians

154

- ▶ Misys replacement
- ▶ Replaced in-house billing operation

Appt. Scheduler

✓

Medical Billing

✓

Revenue Mgmt Solutions

✓

# The Channel



# The Channel



# Paragon and Practice Partner Success

- ▶ Nine hospital contracts closed for Practice Partner
  - York Hospital: 40 physicians
  - New London Hospital: 25 physicians
- ▶ Practice Partner creating Paragon opportunities
  - Dekalb Hospital: 11 physicians

## Paragon



## Practice Partner



Person master updates

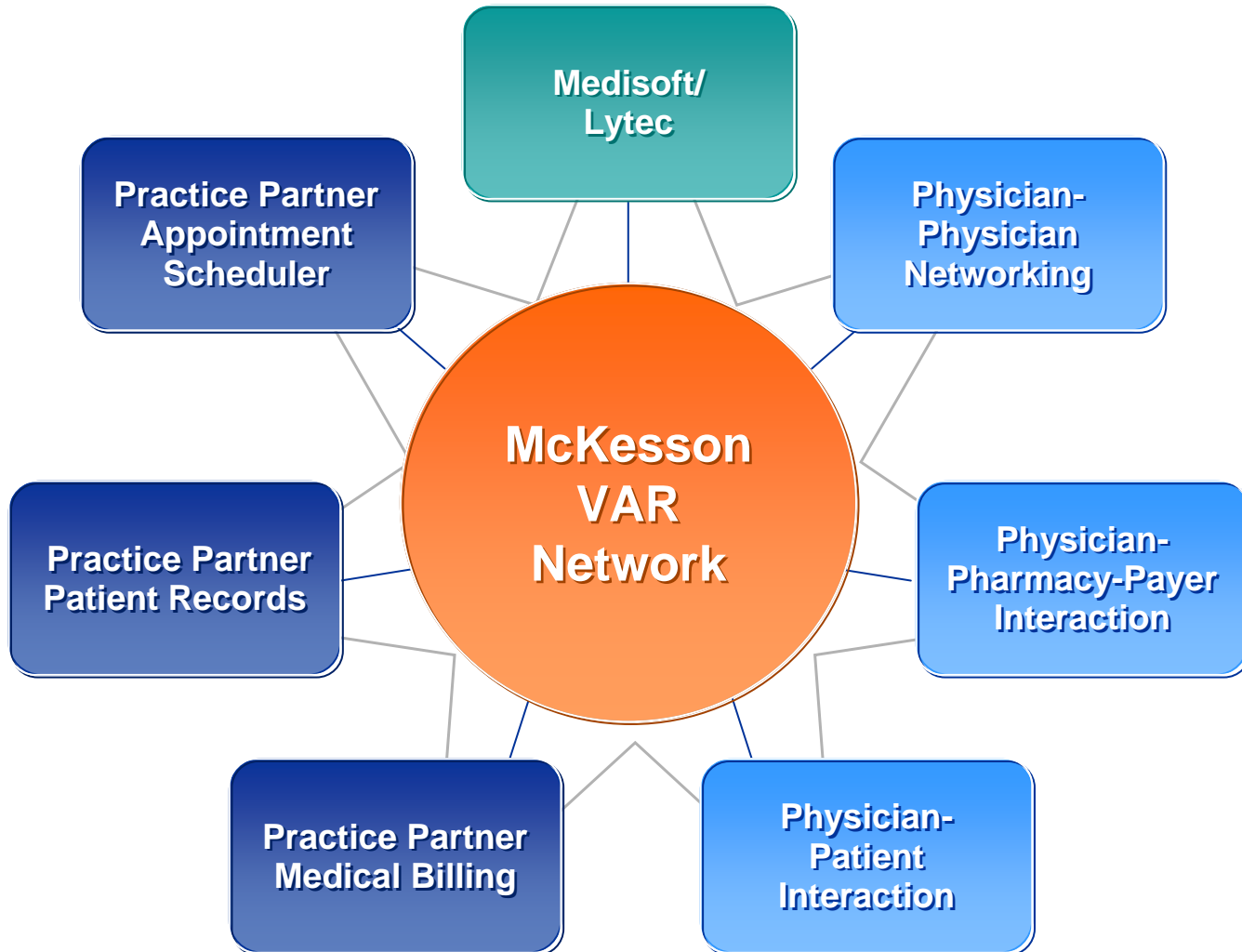
Lab & radiology orders

Lab & radiology results

Allergies & medications

Order creates schedule request

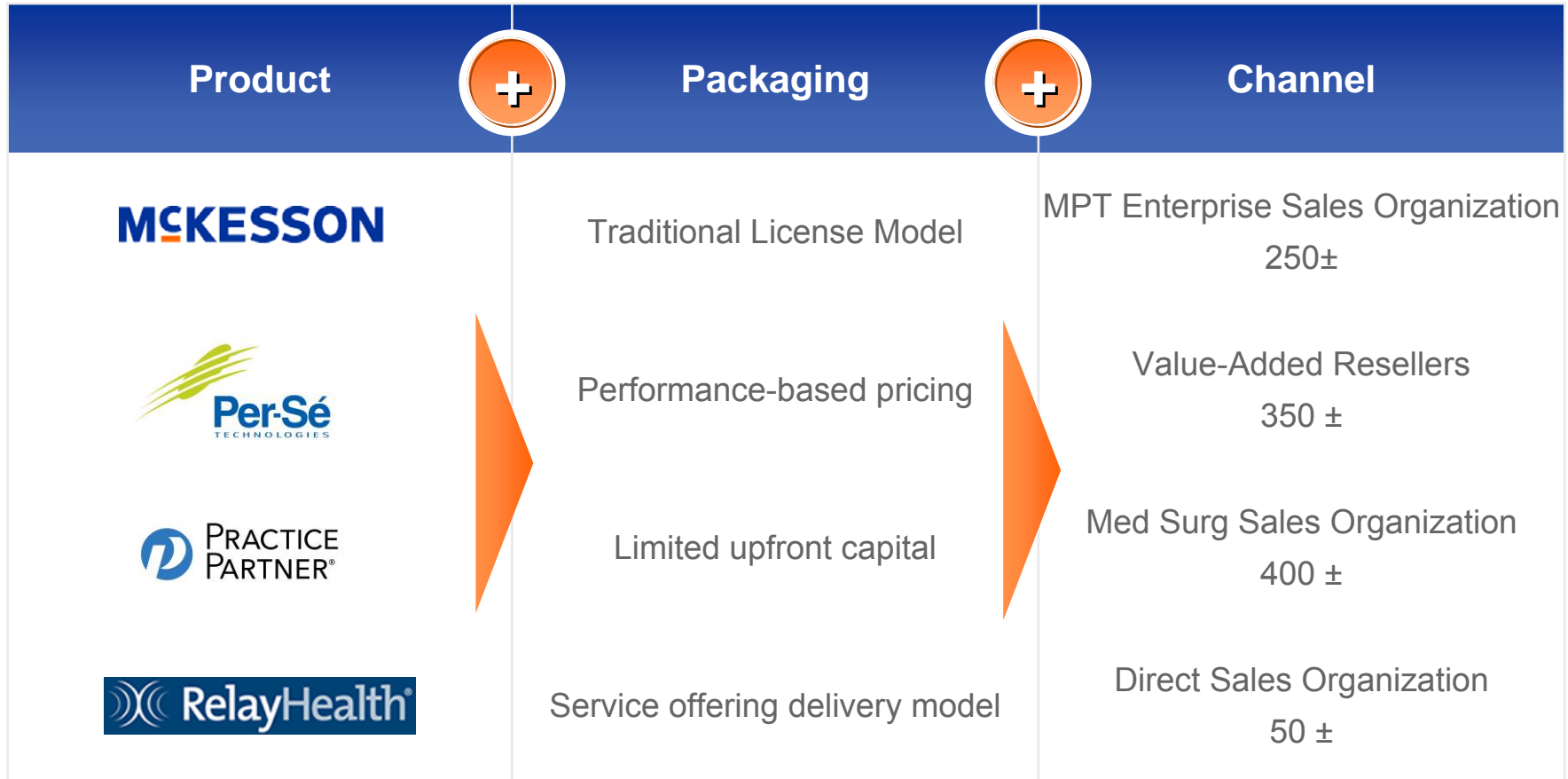
# VARs Provide Reach to Small Practices



# VARs Provide Reach to Small Practices



# Winning the Physician Office



# Thank You



# HIMSS08: The Power to Perform Community Care Advantage



**Kim Flores**  
VP/GM, Medical Management Services, RelayHealth

**Ricardo Guggenheim**  
VP, Product Management, Design and Development, McKesson Health Solutions

# Announcing **Community Care Advantage**



# Community Care Advantage

## Initial Areas of Focus

1



### Community Health Services

- Readmission management
- Indigent care management

2



### Consumer Health Technologies

- Care Management workflow
- Community health marketing
- Patient education programs

3



### Consumer Convenience Solutions

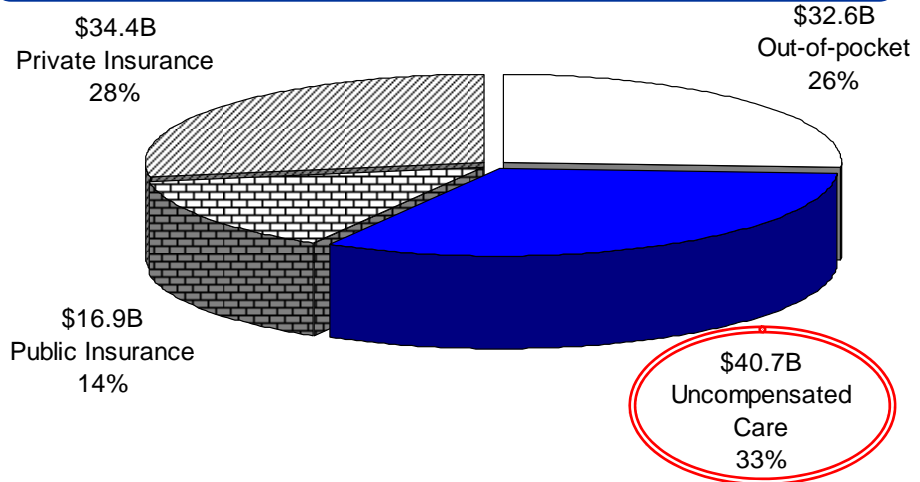
- Patient Connectivity
- WebVisit® online doctor visits/results
- Clinical communication



# Community Health Services

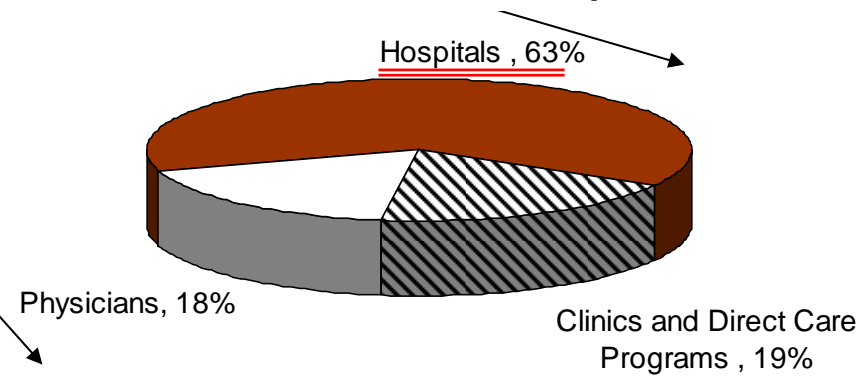
# Health System Burden

**90 million Americans without medical coverage (part or full-time) spent \$125 Billion in 2004**



- Health System Triad**
1. \$5 Billion of uncovered costs
  2. Federal programs (DSH) only cover partial costs
  3. Opportunity costs from indigent occupancy

**Most of the uncompensated burden falls on hospitals**



Source: Wrong Direction: One out of Three Americans are uninsured, Families USA, 2007 and The Cost of Care for the Uninsured: What do we spend, who pays, and what would full coverage add to spending, Kaiser Commission on Medicaid and the Uninsured, 2004

1

## Community Health Services

# The Solution

*Leverages McKesson's existing care management expertise and technology assets managing complex Medicaid populations across eight states.*

### Reducing ED and inpatient utilization for the **indigent population**

- Identification and stratification of high-utilizing patients
- Establish and reinforce the Medical Home
- Assist with medical and pharmacy coverage, and community resources
- Assist with disease education and self-management

#### **Availability**

- *Two pilot programs this spring (April)*
- *General availability September 2008*



# Community Health Services

## Readmissions - Expensive and Preventable

*The Medicare Payment Advisory Commission (MEDPAC) reported that almost 18% of Medicare beneficiaries who are admitted to a hospital are readmitted within 30 days at a cost of \$15 billion.*

	Percent of Patients Readmitted to Hospital Within:		
	7 Days	15 days	30 days
<b>Total</b>	<b>6.20%</b>	<b>11.30%</b>	<b>17.60%</b>

	Patients Readmitted to Hospital Within:		
	7 Days	15 days	30 days
<b>Rate of Potentially Preventable Readmissions</b>	<b>5.20%</b>	<b>8.80%</b>	<b>13.30%</b>
<b>Spending on Potentially Preventable Readmissions (\$Billion)</b>	<b>\$5</b>	<b>\$8</b>	<b>\$12</b>

Source: MedPAC analysis of 2005 Medicare

1

## Community Health Services

# The Solution

***Redeployment of an existing McKesson offering from the Medicaid services care management portfolio.***

**Reducing hospital readmission rates by deployment of a care transitions program:**

- Follow-up care (appropriate continuity)
- Medication reconciliation
- Self-care and decompensation plans
- Appropriate living conditions and support

***Availability - General availability this spring (April)***

# Community Care Advantage

## Initial Areas of Focus

1

### Community Health Services



- Readmission management
- Indigent care management

2

### Consumer Health Technologies



- Care management workflow
- Community health marketing
- Patient education programs

3

### Consumer Convenience Solutions



- Patient connectivity (pay bills, request renewals, etc.)
- WebVisit® online doctor visits/results
- Clinical communication

- ▶ **Growing challenges of populations with chronic disease**
  - Lack of coordination between healthcare providers
  - Access to the right care is difficult to manage post-discharge
- ▶ **Providers face difficulties in providing care management programs:**
  - Physicians are not well equipped to manage total care of the patient
  - Health systems lack the infrastructure to support patient transition from the acute to the post-acute setting
  - Lack of evidence-based programs and comprehensive coordinated healthcare interventions to help the patient with their self-care efforts
  - Health literacy in the community is surprisingly low
- ▶ **Inappropriate use of emergency room services**
  - Diminished effectiveness and readiness for emergent care increases risk
  - Raises overall costs

Consumer Health Technologies support a variety of innovative care management workflow tools, marketing and education services by connecting the needs of patients and consumers with the community health system

## Care Management Workflow

- ▶ Evidence-based clinical programs
- ▶ Symptom assessment and utilization management
- ▶ Referral management
- ▶ Health navigation

## Community Health Marketing

- ▶ Targeted care programs
- ▶ Health coaching
- ▶ Coordination of community health classes
- ▶ Wellness screenings
- ▶ Delivery of health risk assessments

## Patient Education Programs

- ▶ Consumer-oriented health topics
- ▶ Multimedia programs
- ▶ Digital animation

# Community Care Advantage

## Initial Areas of Focus

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### Community Health Services

- Readmission management
- Indigent care management

2

### Consumer Health Technologies

- Care management workflow
- Community health marketing
- Patient education programs

3

### Consumer Convenience Solutions

- Patient connectivity
- WebVisit® online doctor visits
- Clinical communication (results, medications)

# The Problem

- ▶ Access to primary care physician
- ▶ Bad debt increases with higher deductible and co-pays
- ▶ Consumer frustration – multiple phone calls, “snail mail,” long waits
- ▶ Physician office staff frustration

Consumer Convenience Solutions provide innovative connectivity between patients and providers, payors and retail pharmacies.

## Patient connectivity

- Easy online bill pay
- Appointment requests
- Prescription refills

## WebVisit® online doctor visits

- Online consultations
- Clinically structured & reimbursed

## Clinical communication

- Colleague-to-colleague messaging
- Referral requests
- Test results sent electronically



# The First Solution to Proactively Manage the Health of the Community

## Health System

### Community Management Solutions



#### Services

*Indigent Care Management*

*Readmission Management*



#### Technology

*Community Health Marketing*

*Care Management Workflow*

*Patient Education Programs*



#### Consumer Convenience

*Patient Connectivity*

*webVisit online  
doctor consultation*

*Clinical communication*