McKesson to Explore Strategic Alternatives for Enterprise Information Solutions

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SAN FRANCISCO--(BUSINESS WIRE)--McKesson Corporation (NYSE:MCK), a leading global healthcare services and information technology company, today announced that it is exploring strategic alternatives for its Enterprise Information Solutions (EIS) business, a division of McKesson that provides core hospital information systems.

EIS serves hospitals and health systems with software solutions, managed services, and infrastructure and hosting services to enable them to succeed through healthcare reform and beyond. The portfolio includes core solutions such as: Paragon®, hospital information system; STAR® and HealthQuest® solutions for revenue cycle management, financial and supply chain management; OneContent® document and content management; and coding and other professional services to help maximize the total value of information technology.

“We appreciate the critical importance of the Electronic Medical Record (EMR) and other core information systems to the success of our provider customers,” said Pat Blake, executive vice president and group president, McKesson Technology Solutions. “As we embark on building a new, EMR-agnostic technology company with Change Healthcare, we believe that it is in the best interest of our customers to identify a strategic alternative that will allow for more focus on core provider information systems. We are committed to supporting our customers as we evaluate these options, ensuring a smooth transition through this process.”

“Exploring a new strategic path forward for Paragon, OneContent and our ERP-related businesses provides the best opportunity to accelerate our ability to meet our customers’ evolving needs,” said Nimesh Shah, president, EIS. “While we evaluate the best options, the overall priorities for EIS remain unchanged, and we will continue the many efforts we have underway to serve the long-term interests of our customers.”

There is no assurance that this evaluation will result in any transaction being announced or consummated. McKesson will not disclose further developments during this process until its Board of Directors has approved a specific action or McKesson has otherwise determined that further disclosure is appropriate. EIS is reported as part of our McKesson Technology Solutions segment.

In a separate announcement today, McKesson announced the formation of a new healthcare information technology company with Change Healthcare Holdings, Inc. that will include the majority of the McKesson Technology Solutions businesses.

About McKesson Corporation

McKesson Corporation, currently ranked 5th on the FORTUNE 500, is a healthcare services and information technology company dedicated to making the business of healthcare run better. McKesson partners with payers, hospitals, physician offices, pharmacies, pharmaceutical companies, and others across the spectrum of care to build healthier organizations that deliver better care to patients in every setting. McKesson helps its customers improve their financial, operational, and clinical performance with solutions that include pharmaceutical and medical-surgical supply management, healthcare information technology, and business and clinical services. For more information, visit www.mckesson.com.

Risk Factors

Except for historical information contained in this press release, matters discussed may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied. These statements may be identified by their use of forward-looking terminology such as “believes,” “expects,” “anticipates,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates” or the negative of these words or other comparable terminology. The discussion of financial trends, strategy, plans or intentions may also include forward-looking statements. It is not possible to predict or identify all such risks and uncertainties; however, the most significant of these risks and uncertainties are described in the company’s Form 10-K, Form 10-Q and Form 8-K reports filed with the Securities and Exchange Commission and include, but are not limited to: changes in the U.S. healthcare industry and regulatory environment; managing foreign expansion, including the related operating, economic, political and regulatory risks; changes in the Canadian healthcare industry and regulatory environment; exposure to European economic conditions, including recent austerity measures taken by certain European governments; changes in the European regulatory environment with respect to privacy and data protection regulations; fluctuations in foreign currency exchange rates; the company’s ability to successfully identify, consummate, finance and integrate acquisitions; the company’s ability to manage and complete divestitures; material adverse resolution of pending legal proceedings; competition and industry consolidation; substantial defaults in payment or a material reduction in purchases by, or the loss of, a large customer or group purchasing organization; the loss of government contracts as a result of compliance or funding challenges; public health issues in the U.S. or abroad; cyberattacks, natural disaster, or malfunction of sophisticated internal computer systems to perform as designed; the adequacy of insurance to cover property loss or liability claims; the company’s failure to attract and retain customers for its software products and solutions due to integration and implementation challenges, or due to an inability to keep pace with technological advances; the company’s proprietary products and services may not be adequately protected, and its products
and solutions may be found to infringe on the rights of others; system errors or failure of our technology products or services to conform to specifications; disaster or other event causing interruption of customer access to data residing in our service centers; the delay or extension of our sales or implementation cycles for external software products; changes in circumstances that could impair our goodwill or intangible assets; new or revised tax legislation or challenges to our tax positions; general economic conditions, including changes in the financial markets that may affect the availability and cost of credit to the company, its customers or suppliers; changes in accounting principles generally accepted in the United States of America; withdrawal from participation in multiemployer pension plans or if such plans are reported to have underfunded liabilities; inability to realize the expected benefits from the company's restructuring and business process initiatives; difficulties with outsourcing and similar third party relationships; risks associated with the company's retail expansion; and the company's inability to keep existing retail store locations or open new retail locations in desirable places. The reader should not place undue reliance on forward-looking statements, which speak only as of the date they are first made. Except to the extent required by law, the company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

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