



McKesson Employees' PAC

McKesson Employees' PAC

# Better Government for Better Health



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## Thank you from John Hammergren.

Dear PAC Contributor,

Thank you again for your support of the McKesson Employees' PAC. As you know, elected officials and the decisions they make have a profound impact on our business and our customers. That is why it is critical we help elect candidates from both sides of the aisle who understand our industry and our business. Our PAC is an important tool that gives McKesson a voice in federal and state elections across the country. Because corporations cannot contribute to the campaigns of federal candidates, the best way to support the kind of leaders we need is to pool our resources as employees, which the PAC allows us to do.

Your participation in the McKesson Employees' PAC has a significant impact. In 2014, 89% of candidates supported by the PAC won their election. Your ongoing support will help elect and reelect champions for our policy priorities in the upcoming 2016 elections – candidates from both parties who understand our industry and the issues that are important to McKesson and our customers.

Healthcare continues to rapidly evolve and McKesson is committed to demonstrating leadership to help shape the future of the industry. In my view, participation in the McKesson Employees' PAC is an important way to exhibit leadership inside and outside of the company.

Thank you again for your generous support of the McKesson Employees' PAC. I hope you will join me again in making this important investment in 2016. Together, we are helping McKesson and our country create a healthier future.

Sincerely,



John H. Hammergren

## Mid-election cycle update with PAC Chairman, Pat Leonard.

Pat Leonard is President of McKesson Business Performance Services and Chairman of the McKesson Employees' PAC. Below he discusses the PAC's financial results from the first half of the 2015-2016 election cycle and why employee engagement is critical in a presidential election year.



### We are a little over half way through the 2015-2016 election cycle. How is the McKesson Employees' PAC positioned to make an impact?

We saw record breaking fundraising in 2015. McKesson employees contributed over \$595,200 – a 7% increase over 2014. This puts the PAC in a great position to increase our support of federal candidates, expand our political footprint at the state level, and continue to support pro-business, solutions-oriented candidates from across the country who are aligned with McKesson's values and our vision for the future of healthcare.

### Record breaking fundraising – that's great! What was the Board's strategy?

Contributions to the PAC are limited to \$5,000 per person per year. For our PAC to be successful it's critical that we have a strong base of employee support. The Board's strategy in 2015 was to increase

the engagement of employees at all levels. In 2015, we saw a 13% increase in the number of employees in grades 109 and below who contribute to the PAC.

We are also focused on increasing PAC awareness and participation on the MTS side of the business. Historically, MTS has not been as active as MDS or the corporate functions in both participation and dollars contributed. Last year we launched an employee committee in Alpharetta, Georgia – home of MTS' headquarters – to lead efforts to increase PAC brand awareness and promote employee political engagement.

### As a leader in the healthcare industry, why is it important for McKesson to have a strong PAC?

Our business and our customers' future success are heavily tied to public policy and government regulation at the federal, state and local levels. It is critical that McKesson has a strong voice in electing policymakers from both sides of

the aisle who understand the healthcare industry's role in delivering quality, affordable care.

Additionally, many of our competitors in both the distribution and technology industries operate PACs. A strong PAC helps us remain competitive and ensure McKesson's interests are represented in Washington, D.C. and state capitals.

### Why is it important for employees to participate in the PAC?

McKesson's shared commitment to leadership through ILEAD tells us that we can all be leaders. That means contributing to the broader goals of each of our businesses and McKesson as a whole. The McKesson Employees' PAC is an important way in which we can all help advocate for McKesson and our customers in the policy and political space.



# \$595,200

Contributed in 2015

# 250+

new PAC members

# 7%

increase in dollars  
contributed

### Benchmarking against our competitors

Many of our competitors operate PACs. A strong PAC helps us remain competitive and ensure McKesson's interests are represented in Washington, D.C. and state capitals.

- a McKesson – **\$595,200**
- b AmerisourceBergen – **\$615,000**
- c Cardinal Health – **\$386,250**
- d Cerner – **\$199,500**



## Election center.

This November, American voters will not only select a new president, they will also cast their votes in 435 House races, 34 United States Senate contests, 12 governors races, as well as countless local elections and on ballot initiatives around the country.

### White House

The 2016 race for the Oval Office is turning into one of the most unpredictable races in recent memory, with intra-party contests between the “political establishment” and “outsider” candidates making headlines across the country.

The Republican presidential primary has so far been dominated by “outsider” candidates like businessman Donald Trump and Texas Senator Ted Cruz, while the campaigns of well-known “establishment” candidates like former Florida Governor Jeb Bush, Florida Senator Marco Rubio and New Jersey Governor Chris Christie fell flat with voters in early primary and caucus states. Ohio Governor John Kasich remains the last “establishment” candidate in the race on the GOP side.

Just as a distrust of the political establishment has seemingly overtaken the battle for the Republican nomination, a similar trend is occurring on the Democratic side. Despite a strong start to her campaign and support from the party’s political powerhouses, former Secretary of State Hillary Clinton is engaged in a closer than expected race with Independent Vermont Senator Bernie Sanders.

While many originally discounted the outsider candidates in both parties, Mr. Trump and Senators Cruz and Sanders have proven their populist platforms are resonating with Americans in both the GOP and Democratic parties.

### U.S. Senate

Senate Democrats enter the 2016 elections with what seems to be a structural

advantage. Despite the GOP’s current 54-46 majority in the chamber, only 10 of the 34 Senate seats up for election are held by Democrats – and, of those 10, only Nevada is seen as highly competitive. Of the 24 seats currently held by Republicans four are considered toss ups.

Presidential politics may also play a role in which party is victorious in 2016, as Senate results have been converging with presidential outcomes for years.

### U.S. House of Representatives

Republicans came out of the 2014 midterms with their largest majority in the House of Representatives since the early 1920s. Despite Democrats’ ability to turn out in large numbers in presidential election years, current Congressional district lines almost ensure the GOP will keep their majority in the House in 2016 – even if a Democrat wins the presidency.

### Governors

Twelve states will vote for their chief executive in 2016 and the GOP has the structural advantage in many of these races. Democrats will be defending eight of the governorships up for election, and three of those races will be hotly contested. On the Republican side, only one contest, in North Carolina, is expected to be competitive.

### State Legislatures

Eighty-six out of the 99 state legislative chambers are holding elections this year. The GOP currently holds 69 out of the 98 partisan state legislative chambers, which is the highest number in the history of the party.

## 2016 Presidential Candidates.

### Democratic



**Hillary Clinton**

*Former U.S. Secretary of State*



**Bernie Sanders**

*U.S. Senator, Vermont*

### Republican



**Ted Cruz**

*U.S. Senator, Texas*



**John Kasich**

*Ohio Governor*



**Donald Trump**

*Businessman*

*As of March 17, 2016.*

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## Healthcare policy issues to watch in 2016.

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Many of the healthcare issues that impact McKesson and our customers occur at both the federal and state levels.

Healthcare issues were at the forefront in Washington, D.C. and the states in 2015. Congress permanently fixed the Medicare sustainable growth rate through a bipartisan compromise that ended a decade of short-term patches. Additionally, the House overwhelmingly passed the 21st Century Cures bill which contained provisions to promote health IT interoperability and reform the regulation of health IT products.

Meanwhile, states continued to implement the Affordable Care Act. Thirty-two states expanded Medicaid, with half choosing to operate state-based health insurance exchanges. Consumers fueled debates about what drugs and medical procedures should cost to who should make decisions about coverage.

Despite 2016 being an election year, there is momentum on many important health initiatives, including:

### Drug Pricing

Media attention has brought increased focus on price increases for certain drugs, including generic and specialty drugs.

**Federal level** Drug pricing will continue to be a topic of continuing oversight and investigative hearings on Capitol Hill. The Administration is considering how it can use regulation to curb drug prices in federal healthcare programs. Drug pricing is also a hot topic on the presidential campaign trail.

**State level** States are considering how to limit spending on prescriptions and increase pricing transparency. This issue has made its way to the November ballot where California and Ohio voters will decide if states should cap drug prices at the rate the U.S. Department of Veterans Affairs' pays.

### Rx Drug Abuse

Abuse of prescription drugs is a serious problem and has the attention

of policymakers. As a key player in the supply chain, McKesson is committed to working with the healthcare community to promote effective solutions to reduce prescription drug abuse.

**Federal level** Lawmakers have held multiple oversight hearings and debated major legislation to address this epidemic. Significant congressional activity is expected early in 2016. As with drug pricing, Rx abuse will continue to be a leading issue on the Presidential campaign trail.

**State level** Governors, attorneys general and state legislators are convening special Rx abuse task forces, improving state prescription drug monitoring programs and tackling Rx take-back programs. The issue continues to evolve with more legislation addressing addiction, treatment and prevention to stem the epidemic.

### Interoperability/Connectivity

The exchange of healthcare information can reduce the cost and improve the quality of patient care. McKesson, along with other partners, is working with the Administration, Congressional committees and various state industry leaders, to advance interoperability and the safe and timely exchange of health information across all settings of care.

**Federal level** McKesson advocated for language to accelerate health IT interoperability in the 21st Century Cures bill which passed the House in July 2015. The Senate is currently considering similar legislation.

**State level** Sixteen states have introduced legislation to promote the safe exchange of patient data. These bills create information exchange platforms, focus on the interoperability of health records or development of record locators and set standards for patient consent.

### Shift to Value Based Healthcare

Avenues to advance high quality care, improve transitions, produce stronger patient outcomes, increase efficiency and reduce costs are critical to shifting to a value-based healthcare system. McKesson is engaged in supporting this shift through the promotion of effective government policies and business solutions.

**Federal level** The Senate is working to identify solutions to improve care and reduce costs for Medicare beneficiaries. It is also considering legislation that would cover Medicare Part B services provided by pharmacists in medically underserved communities.

**State level** As states move to value-based reimbursement, "transparency" is an emerging public policy focus. Transparency for consumers – related to drug pricing, the cost of medical services, how treatment decisions are made and who will be covered for what services – is being debated in state capitals.

### Taxes

Policymakers in both parties are increasingly focused on simplifying tax codes. Because of our high volume and low margins, McKesson's distribution business would be disproportionately affected by certain changes in federal and state tax laws.

**Federal level** Despite bipartisan appetite to address the complex U.S. tax code, no legislation was passed in 2015. It is unlikely Congress will agree on major tax reform in an election year, but in any deal, McKesson will advocate to preserve LIFO (last-in, first-out) accounting, which is critical to our distribution business.

**State level** States continue to look to gross receipts taxes to increase revenue to cover growing expenses. Since 2014, five states introduced gross receipts tax proposals that could significantly impact McKesson's distribution business.



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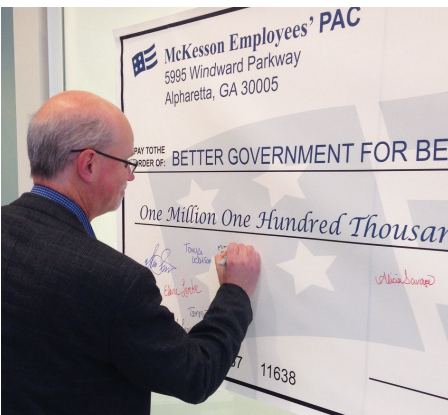
## 2015 PAC membership highlights.



*Congressman Buddy Carter and Joe Ganley, VP of Federal Government Affairs, after the June McKesson PAC Tele-town Hall.*

### Employees Chat with Only Pharmacist in Congress

As a McKesson customer, Congressman Buddy Carter (R-GA) understands the policy issues our business and our customers face better than most elected officials. In June 2015, he spoke with McKesson PAC members about healthcare policy and his first term in Congress. He answered employee questions and gave the group an insider's look into legislation moving through the House of Representatives. He also spoke about public policy issues important to pharmacies. Congressman Carter expressed hope for the future of bipartisan compromise on healthcare issues.



### BPS' Joe Lineberry Travels to Washington, D.C.

2014 PAC Sweepstakes winner Joe Lineberry, Chief Compliance Officer for McKesson's Business Performance Services (BPS), traveled to Washington, D.C. in July 2015. He met with members of Congress on behalf of McKesson and toured the White House with his family.

During his visit, Joe attended a Senate hearing on the topic of Health IT interoperability and ate lunch with Congressman Fred Upton (R-MI), Chairman of the powerful House Energy & Commerce Committee. He joined the McKesson Public Affairs team for a meeting with Senator Orrin Hatch's policy advisor to discuss issues important to McKesson's technology companies and ended his day by having dinner with Congressman John Shimkus (R-IL), a senior member of the Energy & Commerce's Health Subcommittee.

**"It was a great experience to see firsthand how public policy affects our business. I am even more proud to be a member of the McKesson Employees' PAC."**

*- Joe Lineberry*



*BPS' Joe Lineberry (right) with House Energy & Commerce Chairman Fred Upton (left) in Washington, D.C.*

### John Hammergren Talks Politics and Policy

McKesson's executives know that involvement in politics and public policy is critical in order to educate policymakers about the healthcare industry. McKesson Chairman and CEO John Hammergren joined PAC Board Chairman Pat Leonard and PAC members on a conference call to discuss the effect of public policy and politics on the healthcare industry, our business and our customers.

**"The call with John Hammergren was extremely interesting and informative. I've never heard a better explanation for why McKesson's involvement in public policy and politics is so important."**

*- Deb Zimkus,  
VP Operations, BPS*

# Why are you a PAC member?

We asked PAC members from across the company why they contribute to the McKesson Employees' PAC. Here's what they said:



**Bennie Jones**  
Newton, MA  
*VP, Technology,  
MTS*

*"I'm a PAC member because it's another way I can help ensure a bright future for McKesson and our customers outside of the work I do every day."*



**Doug Chase**  
Westminster, CO  
*Senior Product  
Manager, MCCA*

*"I'm a PAC member because our participation can make a huge difference in helping elect policymakers who share McKesson's commitment to Better Health."*



**Linda Master-Parker**  
Alpharetta, GA  
*Director, Business  
Operations &  
Communications,  
Enterprise Sourcing*

*"What can one citizen do? A lot. What can we do collectively? Make a very real impact in Washington, D.C. and state capitals. That's why I contribute to the PAC."*



**Chris Naughton**  
Ruther Glen, VA  
*Director of  
Operations,  
U.S. Pharma*

*"I contribute to the PAC because I want to ensure that we elect policymakers who understand and respect McKesson's role across all healthcare sectors."*

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**McKesson  
Employees' PAC  
giving levels.**

**Chairman's Club  
\$2,500 - \$5,000**

**President's  
Leadership Circle  
\$1,000 - \$2,499**

**Steward  
\$500 - \$999**

**Patron  
\$100 - \$499**

**Associate  
\$99 or less**

*All amounts listed above  
are only suggestions and  
all contributions to the  
McKesson Employees' PAC  
are strictly voluntary.*

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**Thank you to the 2015 Chairman's Club members.**

Todd Baldanzi  
James Beer  
Andy Birken  
Pat Blake  
Sharen Bond  
Patrick Broderick  
Larry Burke  
Andy Burtis  
Tom Butterick  
Loretta Cecil  
Jeremy Chandler  
Steve Courtman  
Chris Dimos  
Mark Eastham  
Terry Enslo  
Marc Essensa  
Saul Factor  
Jeff Felton  
Jorge Figueredo  
Jean Frazier  
Rick Frey  
Joe Ganley  
Angela Grover  
John Hammergren  
Jack Hannon  
Deborah Haywood

Robert Hendricks  
Brad Hilton  
Mary Huser  
Paul Julian  
Gary Keeler  
Mike Kelly  
John Leonard  
Pat Leonard  
Joe Lineberry  
Ann Mao  
Frank Maritato  
Anne McCann  
Stanton McComb  
Scott McDade  
Jim Morrison  
Bansi Nagji  
Melanie Nallicheri  
Jennifer Nelson  
Ross Ott  
Marc Owen  
Ron Parker  
Tim Pawlak  
Terry Pfab  
Nigel Rees  
Fred Reller  
Jill Robinson

Jim Rowe  
Scott Sanner  
Lori Schechter  
Richard Schickler  
Ana Schrank  
Shawn Seamans  
Michael Seiden  
Doug Shaver  
Jason Shook  
Pete Slone  
Paul Smith  
Randy Spratt  
Frank Starn  
Jack Stephens  
Greg Stivers  
Doug Thornton  
Jenifer Towsley  
Brian Tyler  
Chris Valladares  
Mark Walchirk  
John Wallace  
Carolyn Wukitch  
Greg Yonko  
Matt Yordy

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**Thank you to the 2015 President's Leadership Circle  
members.**

Craig Allan  
Dana Allen  
Robert Allen  
Jennifer Anderson  
Perry Anderson  
John Andrews  
Penny Armijo  
Joe Ashkouti  
Stephen Ayers  
Christian Baker  
Bill Balaun  
Barbara Beasley  
Jen Bender  
Kim Bergstrom  
Amit Bhagat  
Theodore Borromeo  
Justin Bowers  
Matt Brow  
Fred Browne

Ron Burnett  
Amy Burns  
Vincent Campitelli  
Amanda Cancelliere  
Terry Carrico  
Rene Castro  
Rex Catton  
Gene Cavacini  
Eric Chester  
Bruce Christensen  
Alex Ciurczak  
Kevin Connor  
Clay Courville  
Mike Cunningham  
Eric Curnow  
Anne Curwin  
Janet Cutcliff  
Eric Davis  
Pat DeAngelo

Kevin Deborde  
Josh Derienzis  
Charron DeVilliers  
Eddie Dienes  
Roxanne Douglas  
Jerry Doyle  
Scott Dufour  
Adrian Durbin  
Gary Eadie  
Mike Eckel  
Dave Ehlert  
Joan Eliasek  
Laurie English  
Dave Evangelista  
Eyad Farah  
Brian Ferreira  
Jack Fragie  
Patrick Free  
Michelle Freed



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## Thank you to the 2015 President's Leadership Circle members.

Michael Gallagher	Martainn Lenhardt	Susan Petrus	Peter Stoy
Dennis Gambill	Ariel Lewkowicz	Todd Philbrick	James Strong
Scott Genone	Janice Little	Bob Pocica	Paul Sturm
John Geraci	Wood Lovell	Travis Poe	Vaughn Sutherland
Chad Gober	Matthew Lowe	Cynthia Pols	Steve Tarantino
Bob Graul	Thomas Luby	Derek Rago	Ken Tarkoff
Theresa Gray	Mitchell Madison	Emilie Ray	Marcy Tatsch
Paul Greenall	Melanie Marcus	Tony Record	Robin Taylor-Smith
Terry Guirey	Jeff Marshall	Marian Reed	Jennifer Tenczar
Linda Guzzi	Jena Martin	Bernie Reese	Brian Thomas
Jim Hall	Layne Martin	Walter Reid	Ron Thompson
Jason Hanks	Tim Martin	Jeff Reinke	Sam Thompson
Donna Harkins	Ammie McAsey	Christine Rice	Claudia Timko
Greg Hart	Pat McClenaghan	Lenell Riley	Jon Tongel
Kevin Heck	Mary McDevitt	Dave Roach	Jackie Torosian
Sean Henderson	Rich McKeon	Chris Robertson	Rene Torres
Lisa Holland	Diane McLean	Scott Rose	Chris Tribble
Catherine Hora Anderson	Vinod Melvani	Dylan Ross	Reagan Tully
Michael Huaco	Mark Miller	Rick Sage	Kathryn Udenberg
Randy Hyun	Scott Miller	John Saia	Chris Vaughan
Clifford Ira	Jim Minor	Biju Samkutty	Britt Vitalone
Daniel Johnson	Michael Missailidis	Jeff Sauer	Don Walker
Tyler Jones	Jackie Mitus	Chris Savage	Jenny Wallner
Harold Jordan	Daniel Monahan	Steve Savary	Allen Weikel
Jim Jordan	Joseph Montler	Dean Scharffenberg	Holly Weiss
Michael Jordan	Scott Mooney	Robert Scholz	Damon Werner
Katie Kaiser	Brian Moore	John Schwartzenberger	Jeff Wescott
Kirk Kaminsky	Heather Morel	Laura Schwartz	Billie Whitehurst
Jeffrey Kao	Dave Morrissey	Arthur Scott	Rodney Wilkerson
Tim Kelly	Nanette Moschel	Larry Secrest	Charles Wilson
Scott Kemme	Nathan Mott	Nimesh Shah	Michael Wilson
Kevin Kettler	Faith Myers	Darin Sharp	Michael Wood
Matias Klein	Chi Nguyen	Kevin Shields	Mary Woodward
Linda Kricher	Nicole Normansell	Raymond Shingler	Reba Wright
Rashmi Kumar	Becca Norris	Jeanine Singer	Kelly Wygal
Erin Lampert	Pete Pasquale	Sean Sipko	John Yount
Michele Lau	Ami Patel	Al Sirmon	Wanda Yu
Adam Lawrence	Kala Patel	Chris Smith	Matthew Zayat
Doug Lawrence	Krista Peck	Cynthia Smith	Bernie Zidar
Dino Lechleiter	Jimmy Perren	Russell Smith	Matt Zubiller
Elaine Lemke	James Pesce	Steve Spokane	



### Thank you for your dedication and leadership as members of the McKesson Employees' PAC Chairman's Club or President's Leadership Circle.

Strong employee engagement is critical to our goal of helping elect candidates who share our common values and commitment to better health.

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## The 2015 McKesson Employees' PAC Board of Trustees.

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### McKesson Employees' PAC Board Officers

#### **Chairman** **Pat Leonard**

*President,  
Business Performance Services*

#### **Vice Chair** **Kevin Kettler**

*SVP, U.S. Pharmaceutical*

#### **Treasurer** **Frank Starn**

*SVP & COO,  
U.S. Pharmaceutical*

#### **Asst. Treasurer/Secretary** **Pete Slone**

*SVP, Corporate Public Affairs*



*McKesson PAC Board members at ILEAD 2015.*

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### McKesson Employees' PAC Board Members

#### **Jeremy Chandler**

*SVP, Technology Solutions*

#### **Josh DeRienzi**

*Assistant General Counsel,  
Specialty Health*

#### **Jerry Doyle**

*Assistant General Counsel,  
Health Solutions*

#### **David Evangelista**

*SVP/GM, U.S. Pharmaceutical*

#### **Ann Mao**

*SVP, Corporate Strategy  
and Business Development*

#### **Jill Robinson**

*CFO, Technology Solutions*

#### **Jim Rowe**

*SVP/GM, Connected Care &  
Analytics*

#### **Doug Shaver**

*SVP, Medical-Surgical*

## McKesson Employees' PAC Governance

The McKesson Employees' PAC is overseen by a board of trustees made up of senior leaders representing McKesson's various business units and corporate functions.

Members of the PAC Board have a fiduciary responsibility to manage employees' contributions to the PAC. During quarterly meetings, the Board evaluates candidates for PAC support based on specific nonpartisan criteria that represent the values and interests of the company. Board members also play an integral role in promoting the PAC and encouraging participation among eligible employees.

# Thank you.

For a list of candidates approved for PAC support in 2015  
visit [www.mckessonpac.com](http://www.mckessonpac.com).

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**For more information,  
please contact  
Carly Jiricka  
Political Programs Manager  
415.983.8691  
Carly.Jiricka@McKesson.com  
www.mckessonpac.com**

Contributions to the McKesson Corporation Employees Political Fund will be used to make contributions to support candidates in federal election campaigns.

Contributions to the McKesson Corporation Employees Political Fund are strictly voluntary and anyone may refuse to contribute without reprisal. Any guidelines noted are only suggestions. All are free to contribute more or less than the guidelines, and no one will be favored or disadvantaged in their employment with McKesson because of the amount of their contribution or their decision not to contribute. Contributions from foreign nationals cannot be accepted. Federal law requires political committees to use their best efforts to obtain and report to the Federal Election Commission the name, mailing address, occupation and name of employer for each individual whose contributions aggregate in excess of \$200 in a calendar year.

Contributions or gifts to the McKesson Corporation Employees Political Fund are used for political purposes and are not tax deductible.

Contributions to the McKesson Corporation Employees Political Fund are restricted to stockholders, executive and administrative personnel, and their families, and any other contributions will be returned to the donor.