
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: GOVERNOR
FROM: SMITH
SUBJECT: MCKESSON DISEASE MANAGEMENT PROGRAM
DATE: 10/29/02
CC: RENICK, LEE ANN, TELL, BOYD, PROSPERE

The following are bullets related to health care and political provisions of the McKesson Disease Management Proposal.. McKesson and Division of Medicaid are currently in contract negotiations about this contract. Since it is too late to get the contract finalized and on the agenda 15 days prior to the November Contract Review Board meeting, it will at least December before the contract will be reviewed by the Board. If the review board approves the contract, implementation would begin January 1, 2002, and be completed within 90 days, or January, and February, and March.

- McKesson will be the primary contractor. They have partnered with:
 - Specialty Disease Management Services, Inc.** to provide face-to-face disease management services;
 - Jackson Medical Mall** to serve as the site for the call center and administrative offices;
 - Jackson Medical Mall Foundation** to assist in establishing a regional center of excellence for disease management services;
 - Hinds County Health Alliance** to assist in nurse and staff recruitment and local physician education; and
 - Health Alliance**, a mail order pharmacy and Durable Medical Equipment (DME) provider, to interact with the DOM in the same manner as any other pharmacy provider. Cost savings will result from lower dispensing fees and AWP of 15% for generic drugs and AWP of 20% for brand name drugs
- **McKesson** will assume full responsibility for management and oversight of all parties to this proposal to ensure an on time and successful implementation
- Mississippi Primary Health Care Association and University Medical Center have endorsed the program and will be collaborators (**CALL AND CONFIRM**)
- All Medicaid beneficiaries with a diagnosis of Diabetes, Asthma, or Hypertension will be enrolled in the program and will have the opportunity to opt-out if they choose.

- Beneficiaries will be able to choose any pharmacy provider that they choose, at any time, even while enrolled in the program. In order to recognize cost savings, however, they will be encouraged to utilize the mail order pharmacy provider
- Federal Law states that a state cannot restrict a beneficiaries choice of providers
- There are approximately 80,000 beneficiaries with Asthma, Diabetes, or Hypertension enrolled in the Medicaid program. This represents 11% of the total Medicaid population
- 17 state currently use disease management programs
- Rica has the responsibility to reduce cost in the Medicaid Program, and will explore various options that have the potential to reduce costs, including disease management programs and mail order
- McKesson Corporation and Columbia United Providers were awarded “Best Disease Management Program for Medicaid” by the Disease Management Association of America on October 25, 2002 during the 4th Annual Meeting in San Antonio
- Disease management programs encourage and empower patients to take control of their condition and make any lifestyle adjustments necessary to improve their health
- McKesson will have the authority to discontinue the contract, for any reason, after one year (**CONFIRM**)