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**EPRESCRIBING PERSPECTIVES**

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**1. What Do ONC, RxHub Changes Mean to ePrescribing?**

In the previous two weeks, there have been two announcements potentially meaningful to ePrescribing. Last week, David Brailer, MD, PhD, national coordinator for health information technology, resigned. The week before, it was announced that RxHub CEO David McLean was leaving the company.

While we had heard rumblings of Dr. Brailer's departure for months, we dismissed them as hearsay because this was nothing new and there's never any substance. So, we admit to being surprised.

That said, we believe his departure was inevitable, and sooner rather than later. He's like the charismatic founder of an entrepreneurial startup - he has the vision and can "rally the troops," but there may be others who are more interested in execution, especially in the highly bureaucratic, political world of Washington, DC. We know little about the search for a successor, except that Dr. Brailer said in a press conference that he or she would have to maintain electronic health record (EHR) momentum, and that they'd like the person to be in place by the end of the summer.

So, what does all this mean to ePrescribing? Well, the truth is Dr. Brailer was never ePrescribing's chief advocate. Don't get us wrong - ePrescribing fit into his broader vision of interoperable EHRs, particularly as it pertains to medication history. Furthermore, a "rising tide raises all ships;" so, to the degree that health care information technology has been a bipartisan focus of the country, ePrescribing has benefited. However, Dr. Brailer didn't seem to make ePrescribing as high a priority as those who, say, are on the hook for Part D and see ePrescribing as a means to keep those costs in check.

Just a week before, RxHub had announced that CEO David McLean was leaving. Mr. McLean was promoted to the position after Jim Bradley left the organization in June 2004. While Mr. Bradley and Dr. Brailer share many characteristics such as intelligence, charisma and exceptional communication skills, Mr. McLean seemed to be more focused on operations *perhaps* as the next national coordinator of HIT should be. (We're not suggesting that Mr. McLean is a candidate. He probably doesn't have the Beltway experience, and we understand he wants to have more time to go fishing, anyway.)

In the press release announcing Mr. McLean's departure from RxHub (<http://www.rxhub.net/news/news2006-04-13.html>), the company released some impressive numbers. If Mr. McLean's sole objective was operations, he appears to have been quite successful. In 2005, RxHub handled 26 million eligibility requests and 2.5 million medication histories. In the first quarter of 2006, it handled 10 million eligibility requests and 1 million histories. It also has 726 formularies and 160 million lives in the master patient index.

JP Little was named COO. Mr. Little has been with the company since the beginning, serving as CIO, senior vice president and general manager. The press release didn't say they were searching for a successor to Mr. McLean. Maybe they are. Maybe it will be Mr. Little, though they didn't name him "interim CEO." It's a curious omission, however.

We'll be watching to see if they cut operating expenses further. Incorporated as a cost-recovery model, the increase in volume would seem to accelerate the founders' earn back on the initial investment, and fewer expenses should make the balance sheet look even better. How many people do you need to run an exchange, anyway?

At the end of the day, while both ONC and RxHub are drivers of ePrescribing, RxHub is more mature relative to its initial objective. We see Mr. McLean's departure from RxHub as having less of an impact than Dr. Brailer's from ONC, though equally a minimal effect on ePrescribing.

## 2. Progress Being Made on MMA-Driven ePrior Authorization

by Tony Schueth, Editor-in-Chief

If you ever ask a physician about prior authorization (PA), be sure there's distance between the two of you because you're apt to get a negative reaction.

Among physicians, PA is exceptionally unpopular. Some clinicians see PA as payers questioning their care-related decisions. All perceive it as a major hassle. To be sure, it's an opportunity for process improvement. In a 2005 study published by SureScripts, physicians ranked decreasing hassles associated with prior authorization as the most important aspect of ePrescribing.

PA, of course, is the process of obtaining certification from a payer for specified medications or quantities of such medications prior to dispensing the drugs. It often involves appropriateness review against pre-established criteria. Those criteria can vary by plan and, within a plan, by drug.

Its purpose is to encourage appropriate use of medications, as criteria are generally developed by a plan's pharmacy and therapeutics (P&T) committee, based on information from the Food and Drug Administration (FDA), pharmaceutical manufacturers, medical literature, actively practicing consultant physicians and other appropriate external organizations.

The process of obtaining PA is onerous, some believe by design. Regardless, failure to obtain prior authorization often results in a financial penalty to the patient, so physicians are highly reluctant to prescribe drugs thus labeled.

Over the past 15 months or so, Point-of-Care Partners has been at the forefront of an effort aimed at making prior authorization less burdensome by incorporating it into the ePrescribing process. We're calling this electronic prior authorization (ePA).

The seeds of ePA were actually planted during the debates about the Medicare Drug Improvement and Modernization Act of 2003 (MMA). Language encouraging ePA was in the landmark legislation.

As we have reported in the past, instead of mandating health information technology (as the federal government tried to do with HIPAA), the feds sought to encourage HIT through incentives and standards. The legislation charged the National Committee on Vital and Health Statistics (NCVHS) with sorting through the standards morass. In the fall of 2004, NCVHS asked the standards development organization NCPDP to look at ePA.

A task group was formed, and I volunteered to be its leader. We set out to understand how prior authorization is managed today, map its workflow electronically, determine where standards exist and where there aren't, develop them. The philosophy was not to usurp or dictate plan coverage decisions, but to make the process more efficient.

In the months since then, we have made amazing progress. In the next issue of *ePrescribing Perspectives*, we'll provide an update on strides we've made as well as a sense of the timing and impact on different stakeholders so you can be ready for the next wave of ePrescribing-related process improvement.

## 3. ePrescribing A Prominent Part of the Annual TEPR Conference

Year in and year out, the annual Toward an Electronic Patient Record (TEPR) conference tends to have a strong emphasis on electronic prescribing. This year may be the heartiest yet.

We make a point of attending this conference every year. It tends to be much more relaxed than, say, the HIMSS conference and much more focused than any other that we attend. We pride ourselves on being in the know, yet we always learn something at TEPR.

This year's conference starts Monday, May 22, but there are preconference events on Saturday, May 20, and Sunday, May 21, that you don't want to miss.

On Sunday from 8:00 to 11:00 am, Jane Sarasohn-Kahn and Matthew Holt will present "The Prescribing Infrastructure: Are We Ready for ePrescribing?" They will be sharing their findings of a report they recently prepared for the California Healthcare Foundation.

From noon to 3:00 pm, Robert Elson, MD, MS, affiliated consultant, and Tony Schueth, MS, managing partner, Point-of-Care Partners, will present "Evaluating ePrescribing Vendors." And from 3:15 to 6:15 PM, Jeff Blair, Todd Hardman and Chelle Wolley will provide an ePrescribing tutorial.

Simultaneous to all of this are vendor "bake-offs," one of which will be for electronic prescribing. The Exhibit Hall will have many

stand-alone ePrescribing vendors, as well as vendors of electronic medical records programs that have ePrescribing incorporated into them.

On Monday, SureScripts will present "End-to-End ePrescribing with Pharmacy Connectivity" and there will be a panel of health plans that implemented ePrescribing. On Tuesday, there will be an eRx User Panel. On Wednesday, Danny Sands, chief medical officer of Zix Corporation, will present "ePrescribing Today and Tomorrow: A Step in the Digital Journey."

If you haven't made your reservations yet, you might consider doing so soon. Here's the link: <http://www.medrecinst.com/conference/tepr/index.asp>.

#### 4. ePrescribing-Related News and Announcements

Since our last issue, there have been some monumental announcements, such as the changes noted above at ONC and RxHub. Separately, a few others were heralded. Here's a summary:

- On April 19, **Elsevier**, a world-leading health care and scientific publisher, announced it had entered into a definitive agreement to acquire **Gold Standard, Inc.**, a US developer of online clinical drug information products, services and solutions, including ePrescribing.
- On April 17, the *Boston Globe* reported that 170 of 180 physician offices picked **eClinicalWorks** over **GE Healthcare**, **Allscripts** and **NextGen** in a \$50 million electronic medical record experiment. Each vendor was screened and preapproved last year by the Massachusetts eHealth Collaborative, a nonprofit organization that is collaborating the project. eClinical Works won first place in the ePrescribing category at last year's Toward an Electronic Patient Record (TEPR) challenge.
- Keep your eye on the **US House of Representatives**. If it does not pass a health care IT bill in May, it's unlikely that any such bill will become law this year, reported *iHealthBeat* on April 13.
- On April 11, AIS's *Today in eHealth Business* reported that **CalRHIO** had recommended a set of data standards for health information exchange (<http://www.calrhio.org/projects/datastandards/>). It's a little confusing, frankly. For "medication," it cites HL7 v3.x (mapped), "ePrescribing," NCPDP and CALINX RX. The description for ePrescribing points to HIPAA.
- In its April 6 issue, *HDM Update* reported that the federal government has asked insurers that cover their employees and dependents to ramp up use of information technology. One of the components of a letter from the **Office of Personnel Management** calls for insurers "encouraging **pharmacy benefit managers** to encourage ePrescribing."
- On April 4, **Aetna** announced that beginning May 3, it would cover physician-patient communications for members in California and Florida through **Relay Health**. Other services available include appointment requests, referrals, lab and test results and ePrescriptions.
- In a March 28 commentary, "PDAs Reach the Tipping Point," in *iHealthBeat* (<http://www.ihealthbeat.org/index.cfm?Action=dspItem&itemid=11965>), Jane Sarasohn-Kohn summarized three studies on PDA adoption. She noted that Allscripts Touchscript accounts for half the volume of ePrescriptions, and that **Allscripts**, **DrFirst** and **InstantDx** all use **ePocrates**.
- On March 16, **Per Se Technologies**, a leader in connective healthcare solutions that recently purchased **NDC**, and **Prime Therapeutics**, a leading PBM, announced an alliance to provide formularies, eligibility and medication histories.
- In a March 15 presentation to the Commonwealth Club of California meeting in San Francisco, **HHS Secretary Michael Leavitt** said that 13% of physicians ePrescribe, according to several published reports.

#### 5. Guinan Affiliates with POCP

Jack Guinan, JD, has elected to affiliate with Point-of-Care Partners, LLC (POCP). The former chief technology officer of ProxyMed (now Medavant), Mr. Guinan has been involved in health information technology for more than 25 years and in ePrescribing for more than 15 years.

"Jack's experience in HIT and ePrescribing makes him an ideal addition to our team," said Tony Schueth, managing partner, POCP. "The fact that someone of Jack's caliber chose to join us should send a message to the marketplace about our success and ability to help clients solve complex problems."

Mr. Guinan is one of the true pioneers in the ePrescribing marketplace. In 1992, he founded Medical Containment Systems, Inc. (MCS), one of the nation first ePrescribing companies. At the helm of MCS, Mr. Guinan conceived, built, and deployed one of nation's first electronic prescribing products and supporting network infrastructure for physicians. In 1993, MCS was sold to ProxyMed, subsequent to the merger the base products were developed into one of the leading ePrescribing services in country.

He is an innovative technology strategist with over 25 years of experience in successfully planning, building and deploying pioneering information technology products and services. Mr. Guinan has founded and operated several technology companies and for the past 13 years, held various senior executive positions at ProxyMed, Inc. (NASDAQ:PILL), a \$90 million public healthcare technology company, including president, board of directors and executive vice president, chief technology officer. While with ProxyMed, Mr. Guinan:

- Established the strategic direction and product plans of the company's various divisions and then successfully executed these plans by putting in place and managing the resources required.
- Led or played an integral role in raising over \$60 million in public and private funds through a number of different financial instruments, including initial public offering, public secondary offering and private equity and debt funding.
- Led teams in purchase and integration of \$150 million in acquisitions, including three medical claims clearinghouses, two lab services companies, and an ePrescribing company's assets, while retaining the revenue and profit base of acquired customer bases.
- Led the design, development and production operation of the health care industry's most advanced and robust transaction-processing platform, currently handling close to 1 billion transactions annually, including a highly interactive Web portal.
- Had responsibility for the deployment and management of health care transaction interfaces with over 150 POMIS software vendors, 900 health care payers and over 25 pharmacy system vendors and major retail pharmacy chains.

#### ABOUT US

Point-of-Care Partners, LLC is a growing eHealth consulting firm with active practices in electronic health records, ePrescribing, and healthcare information exchanges. We help organizations develop and execute winning strategies based on lessons learned, current trends and key drivers.

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