
ELECTRONIC PRESCRIBING eNEWSLETTER

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<http://www.pocp.com>

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1. Medicare Prescription Benefit and ePrescribing: What's Important

As noted in previous issues of ePrescribing Perspectives, there is no way to predict whether the US Senate's and House of Representatives' landmark Medicare prescription drug bills will make it out of committee. There are substantial ideological differences having nothing to do with electronic prescribing. While Pres. Bush wants the legislation for his reelection bid, there is opposition among both Democrats, who have their eyes on the White House, and conservatives within his own party. Time will tell.

From our perspective, the legislation is secondary. What's important is that electronic prescribing is in this bill and no stakeholder group has voiced opposition to it.

The driving issue is patient safety. There appears to be consensus that electronic prescribing is one way to improve upon it.

If ePrescribing doesn't get a boost from this federal legislation, odds are fairly good it will from the next. Or it will be addressed at the state level.

As a case in point, electronic prescribing was in Sen Kennedy's eHealth bill of 2002 and has been earmarked for one of the next HIPAA transaction standards. Furthermore, among other pieces of legislation, there is a US House of Representatives bill that provides grants for providers adopt electronic prescription technology and other IT standards, and a US Senate bill that would authorize the US Department of Health and Human Services to develop or adopt voluntary national standards for integrating health care IT systems.

As Frank J. Conner, president of American Can Company, said in 1983: "Important issues don't just fade away. But those who don't manage them do."

"The life cycle of a national issue is 6 to 12 years," wrote Raymond P. Ewing in the 1987 issues management book, *Managing the New Bottom Line*. "In many of those years, it (an issue) appears dead or dormant, only to rise and move rapidly to resolution sometime within a 12- to 18-month climax period."

Whether we're in the 12- to 18-month climax or a dormant period will be determined by the previously noted committee. However, to be sure, this is a wake-up call for those stakeholder organizations lacking an ePrescribing strategy or casually executing on one. Smart executives know this and in health care, there is a abundance of very bright people.

2. Electronic Prescribing: It Only Seems New

by Patrick Pannier

In the early 1990s, Walgreens created the Prescribe system to link its stores with Wisconsin physicians. The leading pharmacy retailer found a great deal of value, but observed that adoption would be greater if physicians could transmit to other retail pharmacies (ie, its competitors). Recognizing that a third-party would be more effective at managing such a product, Walgreens sold Prescribe to IBM, which signed a number of pharmacy chains, such as Eckerd, American Drug Stores and others.

Subsequently, PCS Health Systems (now part of AdvancePCS), PDX, NDC and ProxyMed attempted to create an electronic prescribing solution, and two organizations competed to create standards for the ambulatory world: the National Council on Prescription Drug Programs (SCRIPT) and the American Society of Automation for Pharmacy (MedPre). HL7s orders set contained prescribing capabilities but were yet unrefined.

Numerous pilots began where the value was validated for refill requests, but most physicians were not willing to step away from a patient to write a prescription during the encounter. And networking a practice and placing a PC in each exam room was cost prohibitive.

Then came the Internet and handheld devices. Many of these efforts began with a lot of interest, but in the end, Prescribe was still the leader, having been sold to ProxyMed. In addition, SCRIPT won out as the standard for transmission of prescriptions.

In the mid- to late-1990s, the dot-com era came alive. Electronic prescribing became one of the opportunities and, once again, this became a hot topic. As with the other industries during this time, it was difficult to determine which product was viable and which was not. In addition, much of the “crazy” money available during this time fostered very dramatic and flawed business models.

However, not wanting to be left behind, many organizations poured significant investment into these models. The large pharmacy benefit managers (PBMs) were showing their interest and beginning significant efforts. Once again, though, the interest was still fragmented and several companies did not survive the dot-com crash.

So today, driven by patient safety concerns, electronic prescribing is once again a hot topic. Relatively new players such as SureScripts and RxHub, have stepped up as leaders. At the same time, ProxyMed (with Prescribe) remains a leader, even though it seems to be emphasizing medical claims and laboratory transactions.

Electronic prescribing may seem new to some, but Point-of-Care Partners has been part of it over many years.

3. Medix Resources' Health Ramp Launches National Awareness Campaign

Awareness of Health Ramp, in particular, and electronic prescribing, in general, is about to increase. On Friday, August 15, Health Ramp launched its national awareness campaign.

Health Ramp is a wholly owned subsidiary of Medix Resources, Inc. (AMEX: MXR), an Internet-based communication, data integration and transaction processing technology provider that has been an electronic prescribing player for several years. In March 2003, Medix acquired ePhysician, a Palm-based ePrescribing concern from the dot-com era.

The campaign is headlined by a television advertising spot which, if you have high-speed Internet service, you can see at <http://www.HealthRamp.com/TV>. The campaign calls on viewers to either visit the company's Web site or encourage their physician do the same.

The commercial's "talent" is none other than Medix CEO Darryl Cohen, though he doesn't identify himself as such. Whatever their motivation for using him, it works well in our view.

Mr. Cohen, who has been at the Medix helm for almost a year, brings a fresh perspective to health care transaction processing, having come from the cosmetics industry where he successfully applied similar strategies and tactics.

4. Accelerating Adoption of Computerized Prescribing in the Ambulatory Environment

The eHealth Initiative, a non-profit consortium of health care stakeholders dedicated to driving improvement in quality, safety and cost-effectiveness of health care, has formed an initiative designed to accelerate adoption of ePrescribing in the ambulatory environment.

The group, chaired by Jonathan Teich, MD, PhD, Assistant Professor of Medicine at Harvard University and Chief Medical Officer, HealthVision, has already formed a Steering Committee and two workgroups: 1) Design and Implementation and 2) Incentives.

To learn more about the organization and initiative, visit their Web site at www.ehealthinitiative.org.

This is an exciting group because of the breadth of stakeholders involved. We'd urge you to get actively involved. We firmly believe: "a rising tide raises all ships."

ABOUT US

Point-of-Care Partners is a boutique consulting firm focused on eHealth and ePrescribing. We help organizations develop and execute winning strategies based on lessons learned, current trends and key drivers.

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