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## EPRESCRIBING PERSPECTIVES

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#### **1. Will the New IOM Study Serve as a Driver?**

*by Tony Schueth, Editor-in-Chief*

In July, the Institute of Medicine (IOM) issued a new report, "Preventing Medication Errors." In it, researchers found that more than 1.5 million Americans are injured annually by drug errors, resulting in \$3.5 billion in additional costs in the hospital setting alone. ePrescribing was cited as a solution, and the authors called for *all* prescriptions to be written electronically by 2010.

Will the new IOM study drive electronic prescribing?

When the first IOM study on medication errors was published in 1999, I couldn't contain my excitement. The fact that ePrescribing could reduce medication errors was known anecdotally. Now a credible institution was saying that medication errors were the cause of 98,000 deaths, and citing ePrescribing as a solution.

There's no question that the IOM reports on medication errors have provided the ammunition to construct legislation, regulations and policies that are driving up adoption of ePrescribing today. But many thought we'd be further along than we are.

When I first got involved in ePrescribing in the mid-1990s, some executives were predicting a "hockey stick" increase in adoption. They were looking at ePrescribing as a technology, where that kind of uptake can happen. Time has proven them to be naïve. We now understand that it's about process improvement and there are just too many interdependencies and remaining barriers for that kind of rapid adoption. That doesn't mean that adoption won't increase. In our view, it'll continue to be steady.

A reporter recently asked if this study should "shame physicians into adopting ePrescribing." My answer was no. There is absolutely no question in my mind that, were convinced that ePrescribing could reduce harm to their patients, they'd adopt ePrescribing in droves. They are skeptical.

We have to remember that most physicians in this country practice in solo or small group practices. They don't see a very high incidence of medication errors, so they tend to view this as "the other guy's problem." Even if they're aware of a problem that one of their patients has had, attribution might be shared and the volume is relatively small.

However, a health plan that manages millions of lives, a large corporation with thousands of employees or a state or federal government with millions of citizens tends to have a different perspective on the problem.

So physicians remain the key here. If we keep knocking down barriers and put incentives in place, we'll see steady increases in adoption. Keeping pressure on lawmakers, regulators, purchasers and payers to do that is the real value of this study.

#### **2. Will New Regulations Impact Adoption?**

On August 8, HHS published final regulations that will allow hospitals and other organizations to provide ePrescribing and electronic health records to physicians without fear of violating anti-kickback laws. (<http://www.gpoaccess.gov/fr/index.html>) The rules were announced by the Centers for Medicare and Medicaid Services (CMS) and the Office of the Inspector General (OIG) with much fanfare, as it is believed they will lead to additional physician adoption.

Specifically, the CMS rule creates new exceptions to the physician self-referral law and prohibits health care entities from billing for

Medicare services provided as a result of an unlawful referral. The OIG rule sets new safe harbors related to ePrescribing and EHRs from the federal anti-kickback statute. According to HHS Secretary Mike Leavitt, the regulations will allow health care organizations to "take on an active role in putting electronic health records in the hands of physicians."

What does this mean to ePrescribing?

Well, first, this initiative was something that CMS deputy director Leslie Norwalk told *ePrescribing Perspectives* they planned to do in January 2004, signifying that ePrescribing is a priority.

These donations can be made by hospitals, group practices, Medicare prescription drug plans (PDPs) and Medicare Advantage (MA) organizations to provide prescribers with interoperable electronic prescribing and electronic medical records technology.

In the October 14 issue of *ePrescribing Perspectives* (<http://www.pocp.com/eRxArchive.aspx>), we explained that this is really about permitting what we've been doing commercially under the MMA. PDPs and MAs will be able to give technology to prescribers. It's also about hospitals having the latitude to provide technology to physicians who *refer* to them.

As we said then, we see this as unquestionably positive for ePrescribing.

### 3. What's The Next Step for the DEA?

Will electronic prescribing of controlled substances be permitted? If so, under what circumstances? These were some of the questions at play on July 11 and 12 during the public meeting called "Electronic Prescriptions for Controlled Substances" (EPCS). The event was hosted by the Drug Enforcement Agency (DEA) office of Diversion Control and the US Department of Health and Human Services (HHS). We previewed the meeting in the June 26 issue of *ePrescribing Perspectives* (<http://www.pocp.com/eRxArchive.aspx>).

Highlights were the six panels on technology framework, practitioner, pharmacy, vendor, state and law enforcement, respectively. After each, DEA and CMS representatives had the respective opportunities to ask questions. The 50 to 75 attendees also got their say during the end of the day's open microphone.

The two relatively new perspectives were law enforcement and state. The law enforcement panel was perhaps the most interesting of the day. Sgt. Lisa McElhane of the Broward County (FL) Sheriff's Office explained procedures they take to gather evidence and prosecute criminals. William Winsley, Executive Director, Ohio State Board of Pharmacy, shared his several years' experience in working with ePrescribing companies.

The DEA made every attempt to listen to the industry, which is in sharp contrast to the last DEA EPCS meeting on November 13, 2002. At that meeting, attendees were told what the DEA's legal authority was and informed that public-key/private-key infrastructure (PKI) would be required.

What will happen next isn't entirely clear. The DEA was vague. When researching this article, we were told that DEA officials "couldn't comment because they are in the middle of rule-making." We have no idea how long that might last. However, unlike HHS which is being driven by the MMA and other legislation, we're not aware of any time constraints that the DEA is under.

We hope something happens soon; however, because one thing is clear from DEA, state and law enforcement testimony: The system is broken and only getting worse.

The DEA, state and law enforcement fear a new electronic world. PKI gives them comfort but, according to testimony, it may slow adoption of ePrescribing, may not be necessary or ready, and might be difficult to implement in the ambulatory setting where most physicians practice alone or in small groups with little technology support.

The DEA appears to be primarily concerned about authentication (is the person prescribing the medication licensed to do so) and fraud and abuse, both prevention and prosecution. The policies, procedures and technologies that we have in electronic prescribing today are an improvement over the paper world. They also represent risk.

We suggested that an improvement would be enforcement of best practices relative to authentication, security and privacy. Others made the point that the electronic world is different and that the industry would be able to improve prevention and help with prosecution. (While no one is aware of any breach or case of fraud or abuse in ePrescribing, our volume is still low and no one is so naïve as to believe that it won't happen some day.)

Keep an eye on *ePrescribing Perspectives* for updates on this important topic.

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*Editor's Note: In this issue, we planned to publish the last of a three-part series on electronic prior authorization. We have decided to postpone that.. Please look for Part 3 of ePA in our next issue.*

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#### 4. News and Announcements

Since our last issue, there have been a multitude of announcements. Here's a summary of some of those that aren't listed above:

- **POCP** managing partner Tony Schueth, was quoted in the August issue of *Health Data Management* about health plan investments in electronic health records. "ePrescribing is critical to the health plan because they get the biggest return on investment from reduced drug costs. To subsidize EMRs is much more expensive and doctors get much more of the financial benefits from EMRs."
- On August 8, **ZixCorp** announced \$1.1 million margin for the second quarter. They also said they Processed 1.3 million e-scripts during the quarter, an increase of 117% over the same period last year and installed 445 physicians. Other announcements have been in *ePrescribing Perspectives*.
- On August 1, an article in the *Wall Street Journal* highlighted the **Valley View Center for Nursing Care and Rehabilitation** in Orange County, NY's use of the ePrescribing solution from **eHealth Solutions, Inc**, a closely held New York electronic medical records company (formerly HealthRamp). Highlights include a nurse who saves 40 minutes preparing physicians for just one resident, an anecdotal reduction in medication error rates and electronic transmittal directly to the pharmacy.
- On August 1, **H2H Solutions** announced that it had been certified by **RxHub**. H2H has a comprehensive Web-based ePrescribing platform called Digital Rx.
- On August 1, **Allscripts** announced record earnings. Total revenue for the three months ended June 30 was \$60 million vs \$29.5 million the year earlier. They also announced that **Novant Healthcare** selected them to automate and connect all of their 587 employed physicians across 141 locations in North Carolina and South Carolina and **Healthcare Partners** selected them to market to more than 2,000 affiliated physicians in the Los Angeles area.
- On July 27, the **US House of Representatives** approved HR4157, legislation to support adoption of health information technology. The bill, which still needs to go to conference to negotiate differences with a Senate eHealth bill, further relaxes Stark, establishes a new standards update process, makes the office of the national coordinator law and defines its responsibilities, preempts some state laws, authorizes some grants and requires a study of variations between state and federal security and privacy laws. In an August 1 press conference, **HHS Secretary Mike Leavitt** said that the bill doesn't stress interoperability enough, and that they'd work with the committee.
- Ever wonder why you can't quite put your finger on **adoption rate** of EHRs or ePrescribing? On July 27, a *Modern Healthcare* report started to shed some light on the matter. The headline almost says it all: "Study: HER Adoption Varies by Definition." Adoption rates range from 9.3% to 23.9%, depending on the definition of full or partial use, according to researchers from **Harvard** and **George Washington universities**. In 2004, before he became our first Health IT czar, **David Brailer, MD, PhD**, did a similar study that found 14% to 39%.
- On July 27, **community pharmacy** issued a statement in support of the most recent IOM study. In the release, they claim that 150,000 physicians in the United States could be using ePrescribing right now, via their own EMR or prescription writing software, but that these physicians aren't aware. They direct physicians to [www.getconnected.com](http://www.getconnected.com), where they can find out if ePrescribing is available to them. There's also a link for patients, and a campaign for them to take a flyer to their physician.
- On July 25, *Wired News* reported that **Georgetown University Hospital** suspended a trial ePrescribing program after a computer consultant stumbled on a cache of patient-identifiable data. The file contained patient names, addresses, social security numbers and birthdates, but not medical data or the drugs that were prescribed for the patients. As soon as the file was reported, the vendor, **InstantDx**, removed it from the server.
- On July 20, **RxHub** announced that more it had received reports of ePrescribing success nationwide. Examples surrounding ePrescribing related to **DrFirst**, **ZixCorp** and **RxNT** users, the **Regenstrief Institute** and the delivery of medication history to clinicians in an ER. RxHub's COO, JP Little, said that monthly medication history volume doubled since the **JACHO medication reconciliation requirements** went into effect on January 1, 2006, and that more than 6 million patient medication histories have

been transmitted.

- On July 20, the **Henry Ford Medical Group** reported that it has written more than 1 million electronic prescriptions since it launched the program in February 2005. Currently, 600 of Henry Ford's 800 physicians are ePrescribing using **DrFirst**.
- On July 19, the **New England Quality Care Alliance, Inc., (NEQCA)**, an affiliate of **Tufts-New England Medical Center**, and **DrFirst** announced an agreement to introduce Rcopia electronic prescribing to NEQCA's network of physicians.
- On July 18, the **Certification Commission for Health Information Technology (CCHIT)** announced that 20 EHRs had been certified. CCHIT has very basic ePrescribing components - so basic that some might argue that it's not "ePrescribing." CCHIT has not announced plans to certify stand-alone ePrescribing companies.
- On July 17, **Illinois** Governor Rod Blagojevich (D), proposed a number of measures aimed at reducing deaths from medication errors, reported *eHealthBusiness*. He also signed an executive order creating the **Division of Patient Safety** within the **Illinois Department of Public Health** to consolidate the state's efforts to reduce medical errors. One of its charges is to formulate a plan to make ePrescribing universal in the state.
- On July 13, **RxHub** and **Argus** announced a strategic partnership. Argus is a leading pharmacy benefit management solutions provider. Winston Wong, director of pharmacy management at **CareFirst BlueCross BlueShield**, was quoted in the accompanying press release.
- On July 11, **Prematics** announced that Barrett Toan, former CEO of **Express Scripts**, had joined its executive council. Mr. Toan joined former **HHS Secretary** Tommy Thompson; former **Senator** John Breaux and Frank Newman, former CEO of **Eckerd Corporation**.
- An article in the June 30 issue of *Health Benefit News* described how ePrescribing can help improve adherence. According to the article, a pilot involving **Caremark** cut non-adherence in half. A senior Caremark exec explained that poor adherence has a financial impact of \$100 billion a year in direct health care costs and \$50 billion in lost productivity. A **Horizon Blue Cross Blue Shield** executive said that 32% of patients in the cardiac / pulmonary drug classes are not filling their prescriptions.
- On June 29, **Practice Partner** announced that it had completed **SureScripts** certification. Practice Partner is a leading electronic health record software systems provider.
- In our June 26 issue, we reported that changes in the **Georgia pharmacy rules and regulations** were imminent. Well, after the meeting, board of pharmacy members changed their minds in light of feedback they had received from stakeholders in the e-prescribing industry. New rules will be considered at the August 16 board of pharmacy meeting. Georgia is one of four states whose rules are not favorable to ePrescribing but among three that are working to make them favorable.

## 5. Neuman Affiliates with POCP

Sherry Neuman, PharmD, has elected to affiliate with Point-of-Care Partners, LLC (POCP). A former senior director of clinical applications and chief privacy officer for iScribe, Dr. Neuman has more than 20 years experience in clinical pharmacy and healthcare management.

"I am a long-time fan of Sherry's and am delighted she has chosen to join us," said POCP managing partner Tony Schueth. "She is already working with us on the MMA ePrescribing pilot and we look forward to bringing her expertise to other client initiatives. Her experience and skills increase our depth and breadth in ePrescribing and chronic care management."

Dr. Neuman's areas of expertise include:

- Clinical patient care
- Drug use evaluation and management
- Investigational drug research
- Regulatory compliance with privacy and security rules under the Health Insurance Portability and Accountability Act (HIPAA)
- State Boards of Pharmacy electronic prescribing rules and regulations
- Pharmacy & Therapeutic Committee determinations of the most cost-effective treatment regimens
- Member, NCPDP since 1993, WorkGroup Co-Chair-Professional Pharmacy Services; Task Group Leader-Clinical Data Transfer

She has extensive knowledge and expertise in developing technologies that improve health outcomes through use of automation, specifically ePrescribing applications and automated systems for pharmacies. In addition, Dr. Neuman has developed and implemented strategies and programs for corporate compliance with the Health Insurance Portability and Accountability Act (HIPAA) to protect the privacy and security of health information.

Before joining iScribe, Dr. Neuman was executive director for health industry development at EDS, promoting the company's capabilities to the technology community with respect to systems integration and strategic partnerships, while providing the link between the company, state Medicaid agency health policy advisors, pharmacists and physicians.

She completed undergraduate studies in microbiology at the University of California, Davis and received her Doctor of Pharmacy degree from the University of the Pacific. For more information about Dr. Neuman's background, see our web site: [www.pocp.com](http://www.pocp.com).

#### ABOUT US

Point-of-Care Partners, LLC is a growing 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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