
EPRESCRIBING PERSPECTIVES

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1. Will We See the “Tipping Point” in 2005?

by Tony Schueth, Editor-in-Chief

In the December 27 issue of Pharmacy OneSource's *Weekly Update*, Keith Streckenbach, president and CEO, Pharmacy OneSource (www.pharmacyonesource.com) predicts that “ePrescribing will hit the ‘tipping point’ and rapidly become the norm” in 2005. Many pieces are in place to make this prediction a reality.

Perhaps the most significant is the Medicare Prescription Drug and Modernization Act of 2003 (MMA), legislation about which we've written many times. It sets forth the creation of standards and encouragement of incentives for prescription drug plans (PDPs) relative to ePrescribing.

Significant progress is being made in the development of standards. Acting on behalf of the US Department of Health and Human Services (HHS), the National Committee on Vital and Health Statistics (NCVHS) is facilitating this process with an eye toward 2006 demonstration projects. These would be evaluated by NCVHS in April 2007. The calendar is both good and bad. Companies looking to gain a competitive edge and comfortable taking a risk are working to make sure they are ahead of the timetable. More conservative companies might be waiting for the demonstration projects.

Incentives are only being encouraged and handled on a payer-by-payer basis. Importantly, many insiders believe that the Centers for Medicare and Medicaid Services (CMS) will get into the incentives game. CMS is the single-largest payer in the US and the only game in town before private PDPs are allowed to participate.

From a timing standpoint, financial remuneration for either adopting or utilizing technology is not something companies do on a whim. Innovators and some early adopters spent 2004 deciding what their health care information technology strategy would be, determining their return on investment and budgeting for 2005. Others just put personnel in place and will continue in 2005. Expect this to be a learning and investment year for many organizations.

Lawmakers stopped short of mandating ePrescribing in the MMA. However, if a prescriber is using a software solution, he or she *must* use the standards. While unlikely, PDPs *could* refuse to pay if prescriptions are not written, transmitted and dispensed electronically.

So, will 2005 be the year of the “tipping point?” If not, it'll be soon. The bottom line: you'd better figure out your play or be at a decided disadvantage.

2. NCVHS Update: Waiting on DEA for eSignature

The December 8-10 session of the National Committee on Vital and Health Statistics' (NCVHS) Subcommittee on Standards and Security's ePrescribing testimony focused on electronic signature. NCVHS, of course, makes recommendations to the US Department of Health and Human Services (HHS) about ePrescribing, among other things. The subcommittee is working toward an April 2005 letter.

No decisions were made, except that there needs to be dialogue with the Drug Enforcement Agency (DEA) about this topic. The DEA, which was not able to attend or testify, has been looking at electronic signature for prescriptions for several years. Under the umbrella of the Department of Justice (DOJ), the DEA's primary concerns are fraud and abuse. In response to the Medicare Prescription Drug and Modernization Act of 2004 (MMA), HHS's main concern is to encourage electronic prescribing so as to reduce medication errors and generate efficiencies.

The NCVHS subcommittee appeared to learn a lot about security related to electronic prescribing. For two days, it heard

near-consensus testimony that the current system provides significant security.

One topic of debate was the eSignature methodology, public-key/private-key infrastructure (PKI). Six testifiers presented the case that the technology wasn't ideal for ePrescribing. James Chen, CEO, DrFirst, summed up the industry's perspective: "The cost and complexity of PKI has yet to be proven effective enough to recommend for eHealthcare, especially as a sole standard for electronic signature." Nonetheless, representatives of ASTM, a standards development organization (SDO), urged the subcommittee to test PKI, even while admitting that this technology "isn't there yet."

Phil Rothermich, vice president, business development, Express Scripts and Terri Swanson, CIO, CIGNA, described the security and authentication that is being used today and recommended the subcommittee consider adopting best practices as standards. Some of those best practices include levels of encryption and authentication processes. The challenge is that most SDOs focus on transactions, rather than processes. ASTM stepped forward, however, and pointed out that it has some process standards. The National Council for Prescription Drug Programs (NCPDP) agreed to look at those. NCPDP has taken a leadership role in ePrescribing standards because the SCRIPT standard has been identified for the prescriber-to-pharmacy prescription transaction, its members are the relevant stakeholders and it has shown a willingness to address standards gaps.

Jeanette Thornton, Office of Management and Budget (OMB), described signature framework the OMB had developed for government documents, as well as guidance it had given to the National Institute of Standards and Technology (NIST) regarding four levels of authentication. The signature framework, in particular, calls for increasing levels of security based on seriousness of a situation, and factors in increasing costs. During discussion, it became apparent that the testimony struck a chord with the subcommittee; therefore, one approach might be to determine where electronic prescribing falls within a similar construct.

Mary Ryan, vice president, pharmacy regulatory, Medco, made the strongest case yet for preempting state Board of Pharmacy rules and regulations, noting "eSignature standards can vary at a state level and are just one of the myriad of such variances in the functional requirements of ePrescribing" that create barriers to implementation. Surprisingly, Carmen Catizone, MS, RPh, DPh, executive director/secretary, National Associations of Boards of Pharmacy, seemed open to this, as long as federal legislation is thorough.

Lynn Gilbertson, director, standards development, NCPDP updated the subcommittee of its efforts, and subcommittee members appeared to be quite impressed.

The next rounds of testimony are scheduled for January 13 to 14 and February 1 to 2. No agenda has been posted yet, but one should hope for some dialogue with the DEA and expect another update from NCPDP. Also, expect to be kept informed through *ePrescribing Perspectives*.

3. Odds and Ends: ONCHIT Funding, BCBSTN, CareMark, iScribe and CPOE in Massachusetts

It used to be that health care slowed down during the holiday season, but that seems a distant memory. Juggling year-end projects with holiday commitments keeps everyone quite busy.

Announcements, on the other hand, don't seem to be as frequent this time of year. From a public relations standpoint, it makes sense. You announce something to reach an audience and make a point. However, with people as busy as they are, who has time to read announcements? Well, that's what *ePrescribing Perspectives* is for. Here are some news items you may have missed:

- In early December, we learned that Congress decided to cut \$50 million in fiscal 2005 funding for **National Health Information Technology Coordinator David Brailer, MD, PhD**. *iHealthBeat* reports that Dr. Brailer called this a minor setback and said health care information technology is "an ascendant issue" that has become "national." As such, Dr. Brailer says health care IT is "subject to all the tectonic forces that influence public policy.

"It's not about who's for it or against it, it's about who has a bigger priority," he said. "There are forces who, while not opposed to the expansion of health care IT, are also willing to ignore it." Health care information technology needs a stronger Washington lobby!

- On December 2, **Blue Cross Blue Shield of Tennessee (BCBSTN)** announced an ePrescribing program that could reach up to 2 million people. The product being used is **iScribe**, which is owned by pharmacy benefit manager (PBM), **CareMark**. CareMark views iScribe as a product and its strategy is to roll it out to customers. CareMark is the only PBM that owns an ePrescribing company. This conflict must be troublesome to its collaborators in **Rx Hub (Express Scripts and Medco)**, who do not own ePrescribing companies. Word is that it is definitely a source of frustration to ePrescribing software and service companies allied with CareMark.
- On December 7, the *Boston Globe* reported that Massachusetts hospitals could save \$275 million annually with computerized

physician order entry (CPOE) systems, according to a report by the **Massachusetts Technology Collaborative** (MTC). Installation in 46 hospitals would cost \$210 million but save money through error reduction. MTC proposed hospitals and health plans split costs. Some hospitals already have plans to install CPOE. A bellwether state, Massachusetts leads the nation in adoption of electronic prescribing technology.

4. McKinnon affiliates with POCP

Barbara M. McKinnon has elected to affiliate with Point-of-Care Partners, LLC (POCP), bringing more than 25 years of health care and IT experience to the team.

"I'm delighted to have Barbara working with us," said Tony Schueth, managing partner, POCP. "She has been working for the last few weeks on a key project. We've been impressed with what she brings to our organization and she fits the profile of executives who have affiliated with us."

In 2005, one of her roles will be to help provide comprehensive coverage of standards development organizations (SDOs). While Mr. Schueth will continue to cover the National Committee on Vital and Health Statistics (NCVHS), the National Council for Prescription Drug Programs (NCPDP), Ms. McKinnon will become actively involved in HL7, ASTM and X12 – three SDOs that also impact electronic prescribing. Mr. Schueth will also continue to be active in the Health Informatics and Management Systems Society (HIMSS) and eHealth Initiative (eHI).

"Even Fortune 500 companies that have staff committed to standards development don't have the capacity to cover all of the relevant SDOs and trade associations," explained Mr. Schueth. We can complement or supplement those organizations that want to maximize its influence or information-gathering by leveraging POCP's hard-earned clout, ensure standards are friendly through consistent participation and help them stay in the know. The beauty of the model is that costs are shared, so the investment is much less than redeploying or hiring staff."

Ms. McKinnon began her career with the University of Pennsylvania Medical Group and went on to work in systems development and implementation in the insurance and managed care industries. She has participated in the initial startup phases of several successful health care initiatives, such as MedicaLogic EHR (currently GE Medical Systems) and the development of Intellihealth's direct-to-consumer Web portal and health care content.

Most recently, she was a program leader in AstraZeneca Pharmaceutical's emerging business technology group, leading an ePrescribing pilot in a large physician group practice and an internal group to monitor key developments in health care standards associated with the National Health Infrastructure Initiative (NHII) and Medicare reform ePrescribing.

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