
EPRESCRIBING PERSPECTIVES

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1. What Do Recent EHR Initiatives Mean to ePrescribing?

Since the last issue of ePrescribing Perspectives, President George W. Bush doubled funding for electronic health records (EHRs) to \$100 million in 2005, announced the subcabinet position of national health information technology coordinator and called for the adoption of health information standards. These are all big news, covered by both mainstream and trade media. Consequently, any executive who subscribes to this publication is almost certainly aware of these facts and corresponding details.

What do they mean for ePrescribing?

To the degree that electronic prescribing is part of an EHR, this election year continuation of 2003 initiatives is exceptionally positive. Public/private funding should increase adoption. The subcabinet position will provide leadership. Standards will help remove barriers. A larger infrastructure will link private interests for the public good. Privacy concerns will continue to be addressed.

Forward-looking EHR suppliers that have built value-enhancing ePrescribing features into their products and applications will have an advantage. These capabilities include receiving, routing and responding to a renewal request from a pharmacy; validation of a drug against a managed care formulary; decision support, such as drug history, drug-to-drug interactions and the like; and transmitting a prescription electronically to a pharmacy. As these constitute a level of detail below the nationwide initiatives, we hope the marketplace gives the advantage to the more robust products that do more than just “register” the prescription.

Non-EHR solutions that emphasize these electronic prescribing features often describe themselves as “EHR light” products. We tend to give these companies more coverage because they are more innovative and communicative, and tend to move faster than the traditional EHRs. They recognize the barriers to a full-blown EHR and offer a first-step solution that doesn’t require as much of a commitment. It remains to be seen how much of the \$100 million will go to these “EHR light” solutions, but the standards, infrastructure and momentum should help them.

Because of the clear public good that will come from these initiatives, they will very likely survive regardless of who wins the presidential election this year. Consequently, each ePrescribing stakeholder should be thinking about how it can be positioning itself to capitalize on this very real set of drivers.

Point-of-Care Partners can help. We are focused on the subject matter, constantly tracking trends and drivers and taking the pulse of each stakeholder. Drop us a line if you’d like our assistance.

2. New CMS Administrator Makes ePrescribing a Priority

In April, Mark B. McClellan, MD, PhD, the new administrator for the Centers for Medicare and Medicaid (CMS), said that removing barriers to electronic prescribing is a top priority for his organization. He said he'd like to see electronic prescribing accelerated ahead of the 2009 timetable laid out in the Medicare Drug Improvement and Modernization Act of 2003.

He wants standard development accelerated, more pilot programs and revisions to the Stark Anti-Kickback Laws. The latter proposal, initially reported by ePrescribing Perspectives in the February 2, 2004 issue, would remove a barrier to electronic sharing of patient records by permitting healthcare organizations to adopt information technology "for community benefit," Dr. McClellan said.

What does this mean to electronic prescribing?

Obviously electronic prescribing is a priority to an influential political figure. The fact that they are working to revise Stark, means they are thinking about ways to remove barriers. This can only be positive.

More specifically, revisions to Stark mean that hospitals, pharmaceutical manufacturers and other organizations that are prohibited today from giving technology to physicians will be able to do so without fear of repercussion. That's a good thing.

However, we'd respectfully recommend that more thought be given to encouraging utilization of these applications. After implementation and training, too many physicians stop using ePrescribing, EHR and computerized patient order entry (CPOE) systems, and we believe the likelihood that they will continue to do so increases as we give them technology. At the moment, the only proposed solution has been to encourage "pay for performance" via the Medicare Drug bill, leaving this to the private sector.

POCP has some other ideas. Contact us if you'd like help with implementation strategies. We should learn from the pioneers in electronic prescribing.

3. WellPoint Finally Announces Allscripts and Zix as Vendors

On April 29, WellPoint Health Networks and Microsoft Corp. announced the selection of Allscripts Healthcare Solutions, Inc. and Zix Corporation to provide technology to support the \$40 million electronic prescribing initiative announced in January.

It's not clear how much of the \$40 million will go to these two organizations; however, this is clearly an "announceable event" for both companies based on 2003 revenues of \$85 million for Allscripts and \$5.84 million for ZixCorp.

Why Allscripts and ZixCorp? According to the Microsoft/WellPoint press release, both organizations agreed "Allscripts and ZixCorp offer the best combination of ePrescribing service, customer support, training and platform infrastructure." In another words, these companies are in the best position to manage the 19,000 WellPoint network physicians in California, Georgia, Missouri and Wisconsin that have been invited to participate. This is a substantial number of physicians when one considers that most ePrescribing companies have from 1,000 to 5,000 prescriber customers.

Does this mean Allscripts and ZixCorp are the best of the best? Those organizations might argue that.

However, with all due respect to each of them, what it really means is that they are the best positioned to staff up.

Furthermore, both solutions tend to be “managed care friendly,” with features and functionality that are meaningful to a health plan that manages its own prescription benefit, as WellPoint does. (Again, this doesn’t mean these are the only “managed care friendly” solutions.) Allscripts has reinvented itself more than once, but has always had managed care clients to satisfy. ZixCorp’s electronic prescribing solution was acquired from PocketScript, who had relationships with the three largest prescription benefit management firms, a widely publicized study with Tufts Health Plan and other clients including Cross Blue Shield of Massachusetts and GHI.

Besides the sheer volume of potential customers, what are Allscripts’ and ZixCorp’s biggest challenges? In our view, one of them is the design of the program. According to the Microsoft/WellPoint press release, they are giving physicians a “wireless, handheld electronic prescribing unit, wireless access point and one-year subscription to an electronic prescribing service.”

This is logical. Organizations tend to do this to overcome barriers to adoption, the biggest of which is the cost of the hardware. Health plans, in particular, are sensitive to the relationship with the provider.

Experience, however, has shown that this is not the most effective strategy. The problem is that physicians, like all human beings, do not value something for which they do not pay. Correspondingly, those who accept and are trained on the software tend to either stop using it after writing a few prescriptions or never get started. You see, they have never made the commitment to adopt something that might have a learning curve or need to be adapted to the practice (or the practice to it). (POCP can provide alternative, proven approaches, by the way.)

We personally know key executives at Allscripts, ZixCorp and CGE&Y, the consulting organization responsible for implementation. And, we are not only certain that these executives understand this “lesson learned,” but suspect that they have attempted to suggest modifications to the strategy/tactic. In our experience, sometimes decisions are made before experienced executives are consulted. We hope adjustments can still be made.

What does this mean to electronic prescribing? Assuming Allscripts and ZixCorp are successful, only positive things as a rising tide raises all ships. Allscripts has long been a leader among electronic prescribing companies. The WellPoint opportunity positions ZixCorp similarly.

As an ePrescribing stakeholder, this is a significant event that will certainly have an impact on your organization. If you need any help sorting through the implications, feel free to contact us.

4. Seats Rapidly Filling for ePharmaSummit

Seats are filling fast for the ePharmaSummit. The conference features ePrescribing, and is to be held May 10-12 in the Wyndham Philadelphia Franklin Plaza. The keynote address will be given by Kevin Hutchinson, CEO, Surescripts. There will also be a panel entitled: “What Role Should Pharma plan in ePrescribing and the Point of Care?” Panelists will include executives from Pfizer and J&J. Aetna will also present the findings of its analysis of claims data. To learn more about the event or register, click on the following link: [http://www.iirusa.com/epharasummit/Index.cfm/Link=1/newsection=yes/priority code=P1000EPP](http://www.iirusa.com/epharasummit/Index.cfm/Link=1/newsection=yes/priority%20code=P1000EPP)

5. Odds & Ends: Allscripts, HealthRamp, SureScripts, Wellinx, BCBSMA/Tufts

- On April 20, an agreement was announced to electronically connect Allscripts physician clients with retail pharmacies through Surescripts national network. As one of the leaders in ePrescribing, this is a real “win” for Surescripts. It also represents a “win” for Allscripts, as it had previously connected its customer base to pharmacies through fax and, prior to that, via ProxyMed.

- On May 4, Health Ramp announced that it would release its new product, CarePoint v4.2 on May 7. In developing this new version, Health Ramp incorporated both physician and partner feedback. The product enables electronic prescribing, lab orders and results, Internet-based communication, data integration, and transaction processing over a handheld device or browser, at the point-of-care.

In other developments, Health Ramp announced the acquisition of Berdy Medical Systems, the publisher of SmartClinic. The software allows off-line device utilization, interoperability, integration with facility-based and reference labs, continuous speech recognition and natural language processing. The publicly traded company also announced a sales and marketing alliance with Advance Data Systems, a practice management system company; and a sale to the physician group Osler Medical, for 60 of its physicians.

- Bryan Deter is now president and chief executive officer of Wellinx, a closely held evidence-based decision support solution featuring electronic prescribing, charge capture, lab results, physician notes, radiology reports and physician dispensing. Mr. Deter was formerly president and CEO of MedAptus and head of operations at Amicore, the Pfizer/Microsoft/IBM concern. The proposed merger between Wellinx and MedAptus apparently fell apart in 4Q03 or 1Q04. Never formally announced, the two companies nevertheless exhibited in the same booth at the October 12-15, 2003 MGMA Conference in Philadelphia, telling both visitors of the proposed merger.