

# Interoperable ePrescribing Standards: The Bridge Across the Chasm

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# Outline

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This presentation will address the following issues:

- Where are we today relative to ePrescribing?
- What are the benefits of ePrescribing to different stakeholders?
- Where is ePrescribing and healthcare IT going?
- What is a “chasm” and what does “crossing it” mean?
- Are we at a “crossing point”?
- What is the impact of Medicare Part D?
- What transactions have been named “foundation standards”?
- What standards are targeted for 2006 pilots?



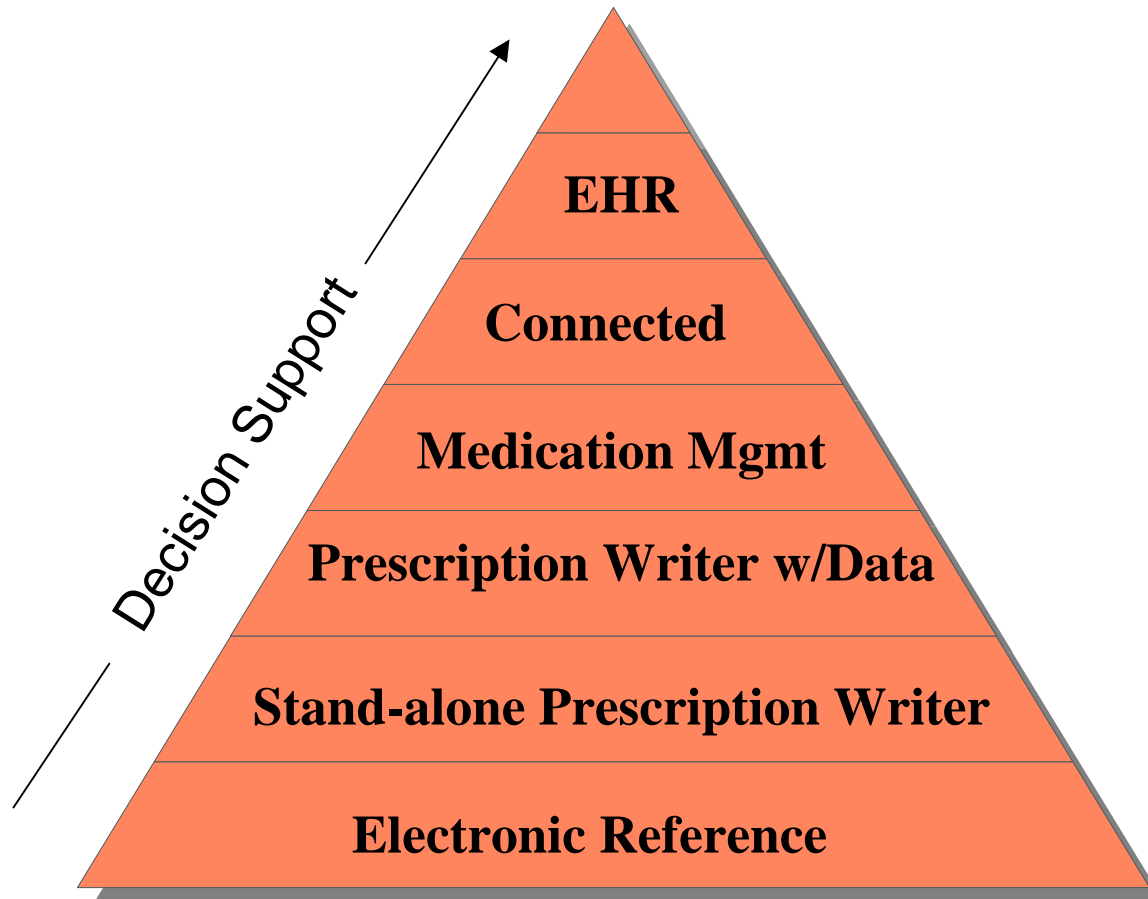
# ePrescribing: Where are we today?



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# What is ePrescribing?

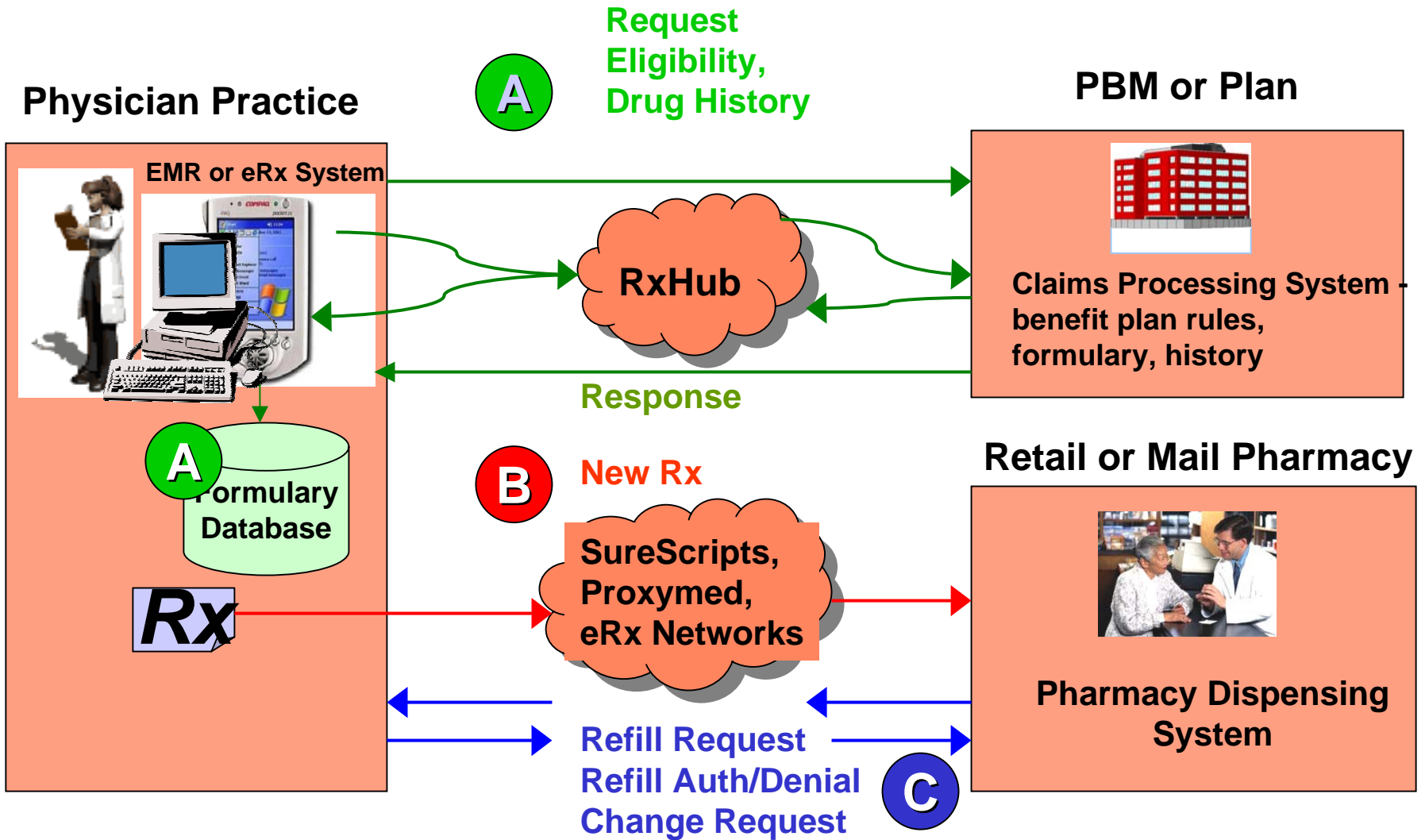
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Source: eHealth Initiative



# Data Flow of Interoperable ePrescribing



# ePrescribing by the numbers...

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**5-18%** MDs prescribing electronically

(eHealth Initiative, 2004)

**85%** pharmacies enabled for ePrescribing

(SureScripts, ProxyMed, eRx Networks)

**5%** US hospitals using CPOE for Rx orders

(KLAS, 2005)

**14-39%** Outpatient EMR use

(California Healthcare Foundation, David Brailer, MD, 2004)

**150 million** Lives for whom formulary & benefits are available through RxHub

**\$29 billion** potential annual ePrescribing savings

(Center for Information Technology Leadership, 2004)



# Key stakeholder benefits



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# Benefits: Prescribers

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## Reduce Cost

- ◆ Reduce phone calls
- ◆ Reduce chart pulls
- ◆ More time for patient care
- ◆ Low impact to existing workflow

## Improve quality of care

- ◆ Increased quality of care by enabling easy access to computerized medication history
- ◆ Decreases potential medication errors due to illegible prescriptions

## Improve patient satisfaction

- ◆ Reduced waiting time at pharmacy
- ◆ Aura of high tech



# Benefits: Payers/PBMs

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## Improve quality of care

- ◆ Decreases potential medication errors due to illegible prescriptions

## Reduce cost

- ◆ Reduced phone calls
- ◆ Better utilization of cost-effective alternatives
- ◆ Increased generic prescribing
- ◆ Reduced medication errors

## Improve customer satisfaction

- ◆ Employers: lower premium growth due to reduced drug spend
- ◆ Prescribers: Fewer hassles over coverage and prior authorization
- ◆ Consumer: Reduced wait time at pharmacy



# Benefits: Pharmacies

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## Reduce Cost

- ◆ Reduce telephone calls
- ◆ Automate manual processes
- ◆ Reduce multiple eligibility inquiries

## Improve quality of care

- ◆ Decreases potential medication errors due to illegible prescriptions
- ◆ Provides more time for patient counseling

## Improve customer satisfaction & care

- ◆ Patient: Reduce wait time
- ◆ Prescriber: Fewer interactions over coverage and prior authorization

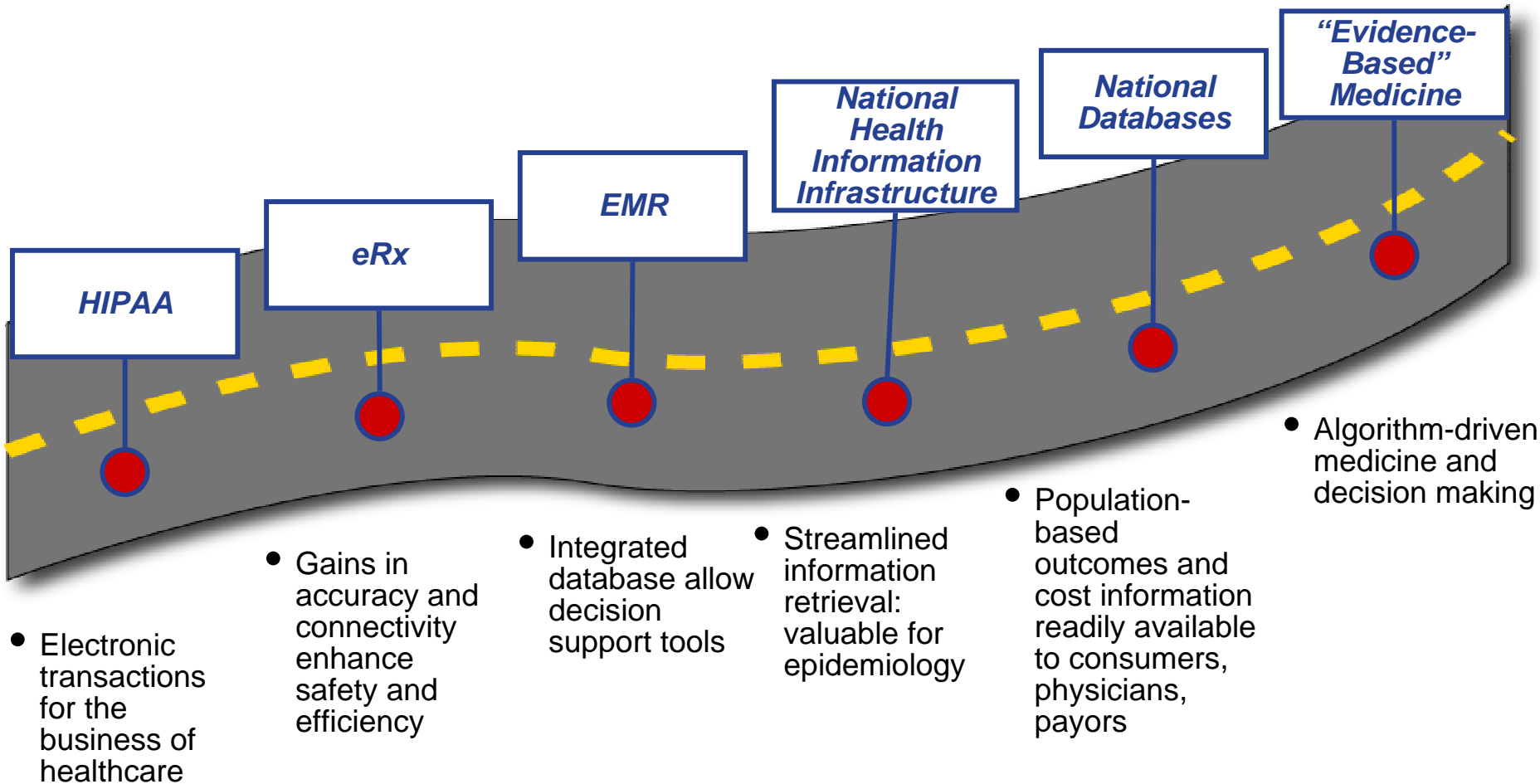


# ePrescribing: Where are we going?



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# The Connectivity Roadmap



Used with permission from Pfizer



# ePrescribing will ...

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- ▶ Grow adoption over the next 5 years
  - ▶ Qualification: it's a small base
- ▶ Increase utilization as EMR practices upgrade to ePrescribing functionality
- ▶ Expand connectivity
  - ▶ To pharmacies for refill authorizations
  - ▶ To PBMs and plans for formulary
- ▶ Provide deeper functionality
  - ▶ Medication history
  - ▶ Automated prior authorization, copays and step therapy
  - ▶ Integrate lab with Rx
  - ▶ Disease management



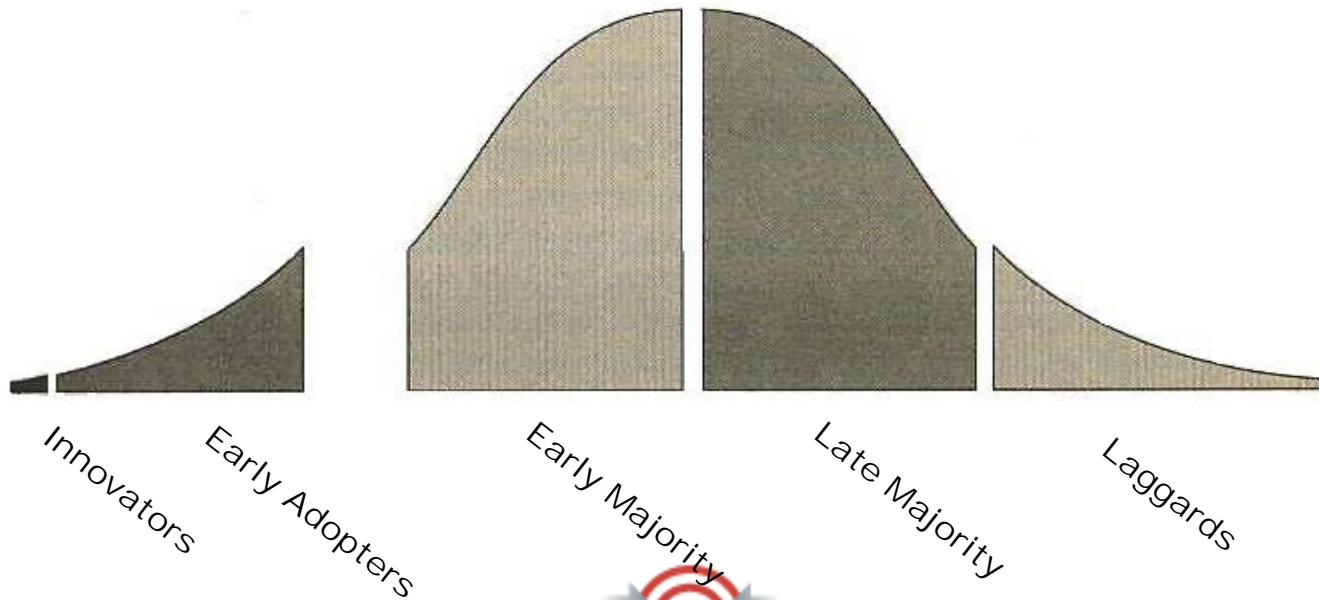
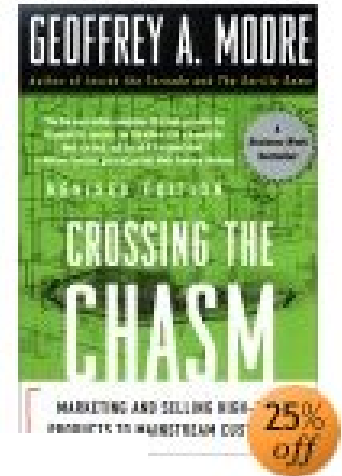
# The Chasm



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# The Chasm

- ▶ "A gulf between two distinct marketplaces – an *early market* dominated by visionaries and a *mainstream market* dominated by pragmatists.



# Technology Adoption Lifecycle

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- ➔ Innovators: The Technology Enthusiasts
  - ➔ Gatekeepers, first to adopt new technology
  - ➔ They want:
    - The truth, no matter
    - Access to most technologically knowledgeable
    - It cheap
- ➔ Early Adopters: The Visionaries
  - ➔ Rare insight to match technology to strategic need
  - ➔ They want breakthroughs
  - ➔ It's nearly impossible to meet their expectations



# Technology Adoption Lifecycle (cont.)

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- ➔ Early Majority: The Pragmatists
  - ➔ Prudent souls who don't want to be pioneers
  - ➔ Want incremental, measurable, prudent progress
  - ➔ "Risk" is negative
  - ➔ Planning to live with their decision
  - ➔ Reasonably price-sensitive but open to paying a modest premium for top quality or special service
  - ➔ Conservatives who want to hear "industry standard"



# ePrescribing is different ...

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- ➔ Process change
- ➔ Incentives are out of whack
- ➔ There is no real pain
- ➔ Questions persist about success
- ➔ At the same time ...
  - ➔ Powerful forces can benefit
  - ➔ Medication error rates are unacceptable

**Need value-incentive alignment**



# Are we at the crossing point?

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- ▶ Pres. Bush mentioned HIT and EHR in '05 and '04 state of the union addresses
  - ▶ Established Office of National Coordinator of Health Information Technology in 2004
- ▶ States are removing roadblocks to ePrescribing
  - ▶ 42 states are “good to go” for ePrescribing ([www.surescripts.com](http://www.surescripts.com))
- ▶ Grants from the US Department of Health and Human Services and Agency for Healthcare Research and Quality
  - ▶ 2004 awards \$139 million for grants, HIT demonstration projects
- ▶ Pols want to be seen as “doing something” about med errors
  - ▶ Clinton-Frist, Murphy-Kennedy, Stabenow-Snowe, Dodd bills
- ▶ Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA)



# Medicare Part D

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- ▶ MMA establishes a real-time ePrescribing program to be used by prescribers, plans, pharmacies and pharmacists who serve Medicare patients
  - ▶ No mandate, but if used, **standards must be followed**
  - ▶ **Standards via National Committee on Vital and Health Stats**
- ▶ NCVHS tasked with identifying foundation standards required for January 2006 implementations.
- ▶ Directs HHS to conduct a voluntary eRx pilot project in 2006, for areas where industry experience is insufficient
- ▶ Other components:
  - ▶ Discretionary grants to be made available to prescribers
  - ▶ Plans, hospitals, groups may purchase hardware for MDs
  - ▶ Plans may pay additional fees for reduced medication errors, improved formulary compliance & fewer adverse drug events



# Medicare Part D (cont.)

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## ➤ Other components:

- Discretionary grants to be made available to prescribers
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**Deadline for Secretary to develop foundation Standards**

**Launch 1-yr ePrescribing pilot program; plans can offer P4P**

**Evaluation results of pilot program due to Congress**

**Deadline for Secretary to finalize and release 2<sup>nd</sup> set of standards**

**All Medicare providers must be using all ePrescribing standards**



# Standards: The Bridge Across the Chasm



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# Foundation Standards

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- Proposed in February; final rules due in September
- Names 3 foundation standards:
  - NCPDP SCRIPT (sans Fill Status)
  - X12N 270/271 Eligibility (between Provider & PDP)
  - NCPDP Telecom (eligibility between pharmacy & PDP)
- Proposes two formats as foundation standards
  - Drug History
    - Based on NCPDP Script; used by RxHub for several years
    - now an ANSI-accredited standard
  - Formulary & Benefits
    - Based on RxHub standards and supported by aggregators
    - going to NCPDP board in Sept '05
- Must be used for ePrescribing as of January 1, 2006



# Prospective Pilots

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- ▶ NCVHS letter to HHS recommends the following for ePrescribing pilots:
  - ▶ HL7-to-Script cross-walk
  - ▶ fill status notification of the NCPDP SCRIPT standard;
  - ▶ structured and codified SIG;
  - ▶ the National Library of Medicine's Rx Norm;
  - ▶ exchange of drug labeling and drug listing;
  - ▶ automated prior authorization; and
  - ▶ a patient's right to access his/her prescription records



# In Summary

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- ➔ ePrescribing ...
  - ➔ is interoperable and provides decision support
  - ➔ benefits several stakeholders – physicians, pharmacies & payers
  - ➔ Is an early marker on the connectivity roadmap
- ➔ There's a natural chasm between early market and a mainstream market
- ➔ Standards are one bridge across a chasm
- ➔ The MMA promotes ePrescribing standards
- ➔ "Foundation standards" take effect in 1/06
- ➔ There will be ePrescribing pilots in '06



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# The bridge across the chasm

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- ➔ First there is a market, then there is no market, then there is...
- ➔ Requires unity, momentum, maturity

