

Role of Employers in Promoting ePrescribing

Case Study:

Southeastern Michigan
ePrescribing Initiative (SEMI)

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eHealth Management & Marketing Consultants

Agenda

- ➔ ePrescribing Overview
- ➔ ePrescribing Trends & Drivers
- ➔ SEMI Overview
- ➔ SEMI Results
- ➔ SEMI Lessons Learned

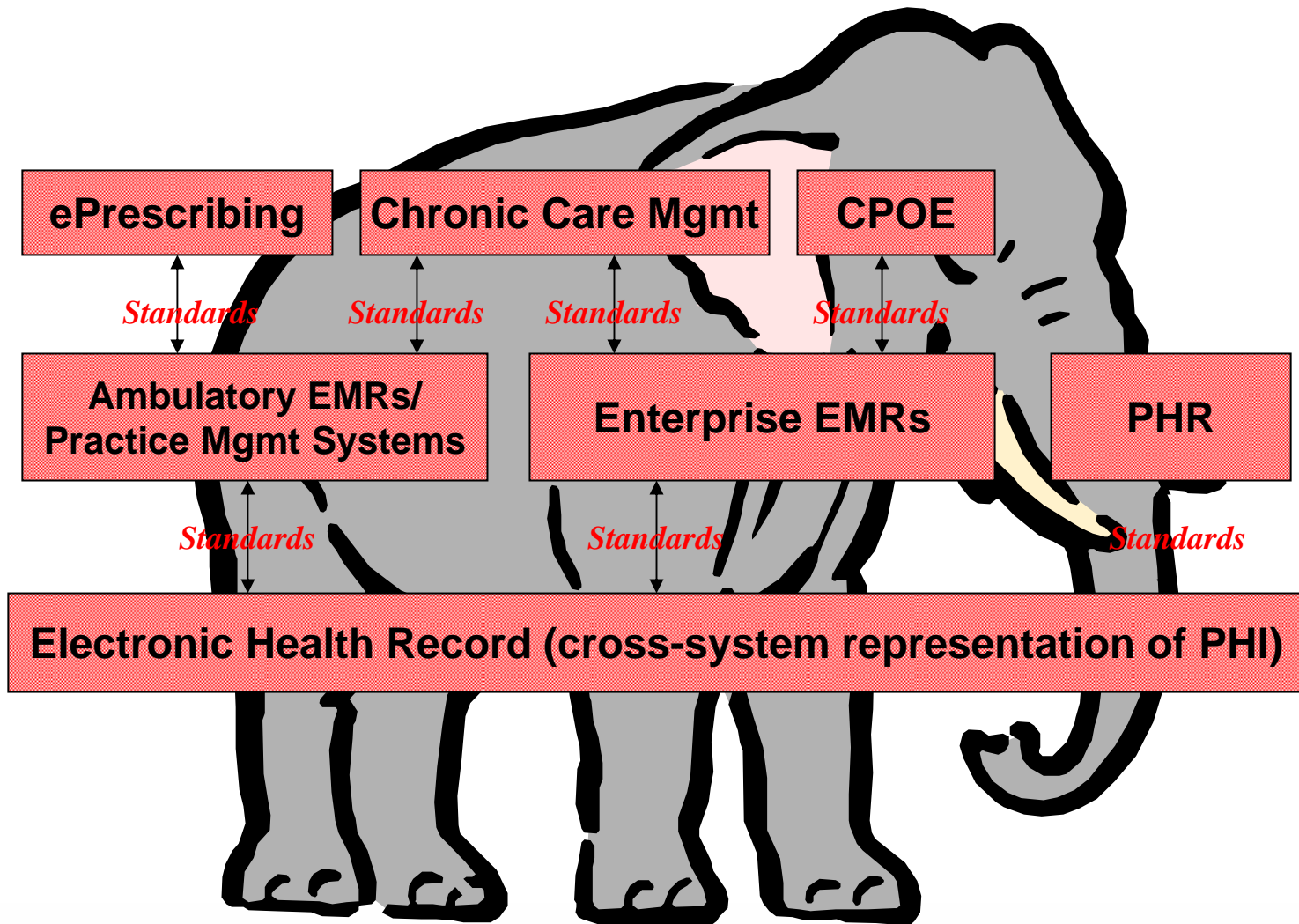


ePrescribing Overview

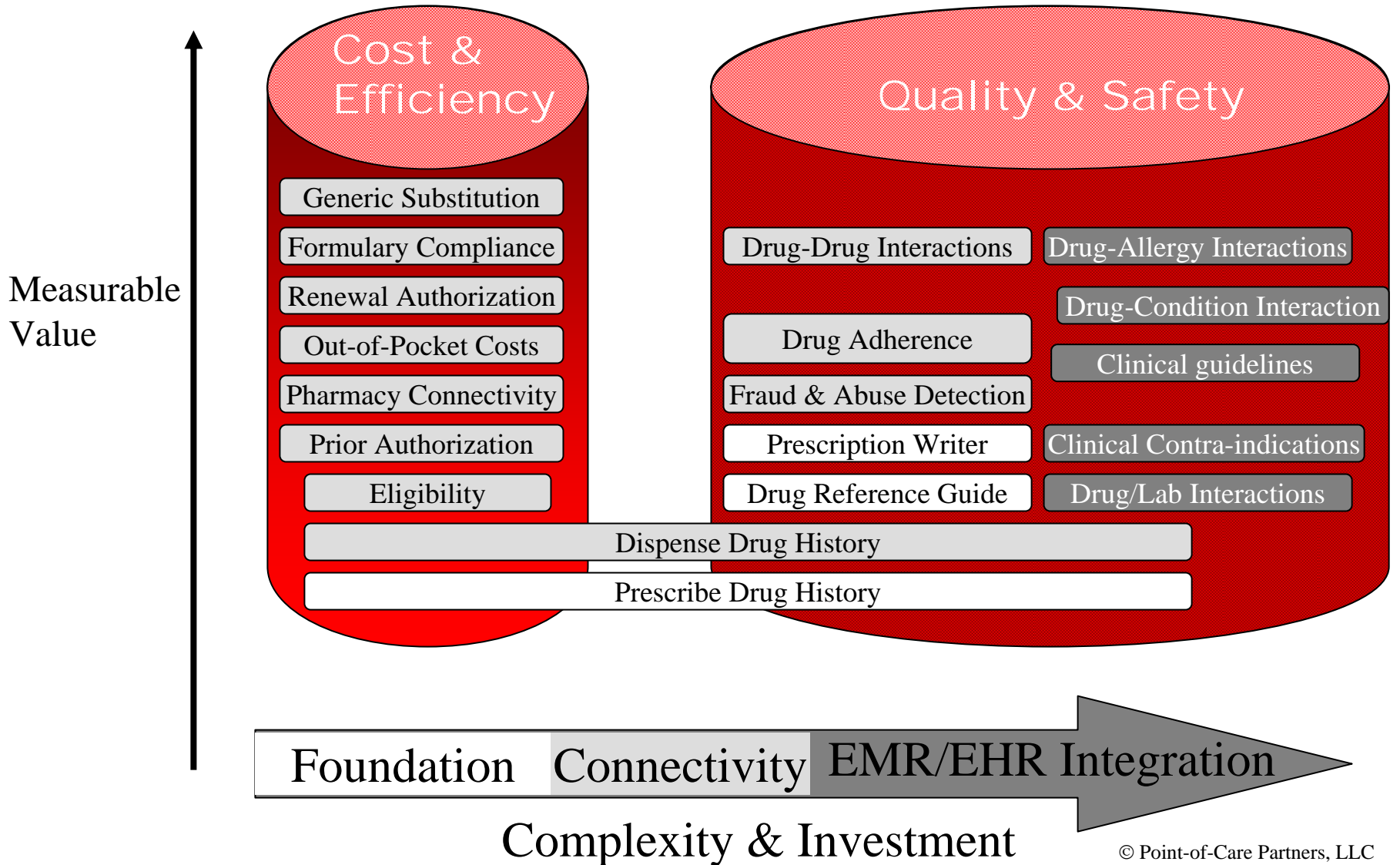


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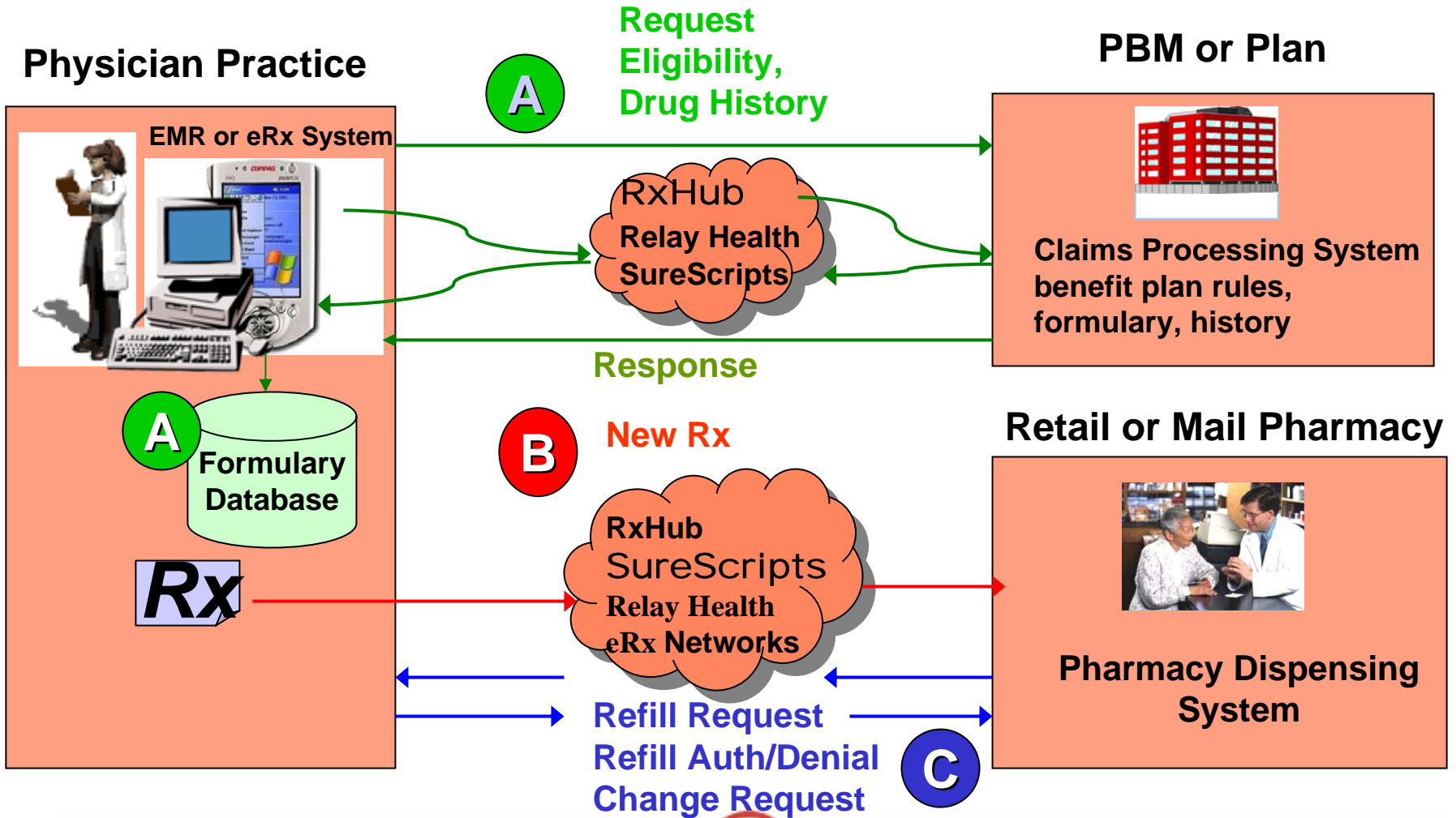
Health Information Technology



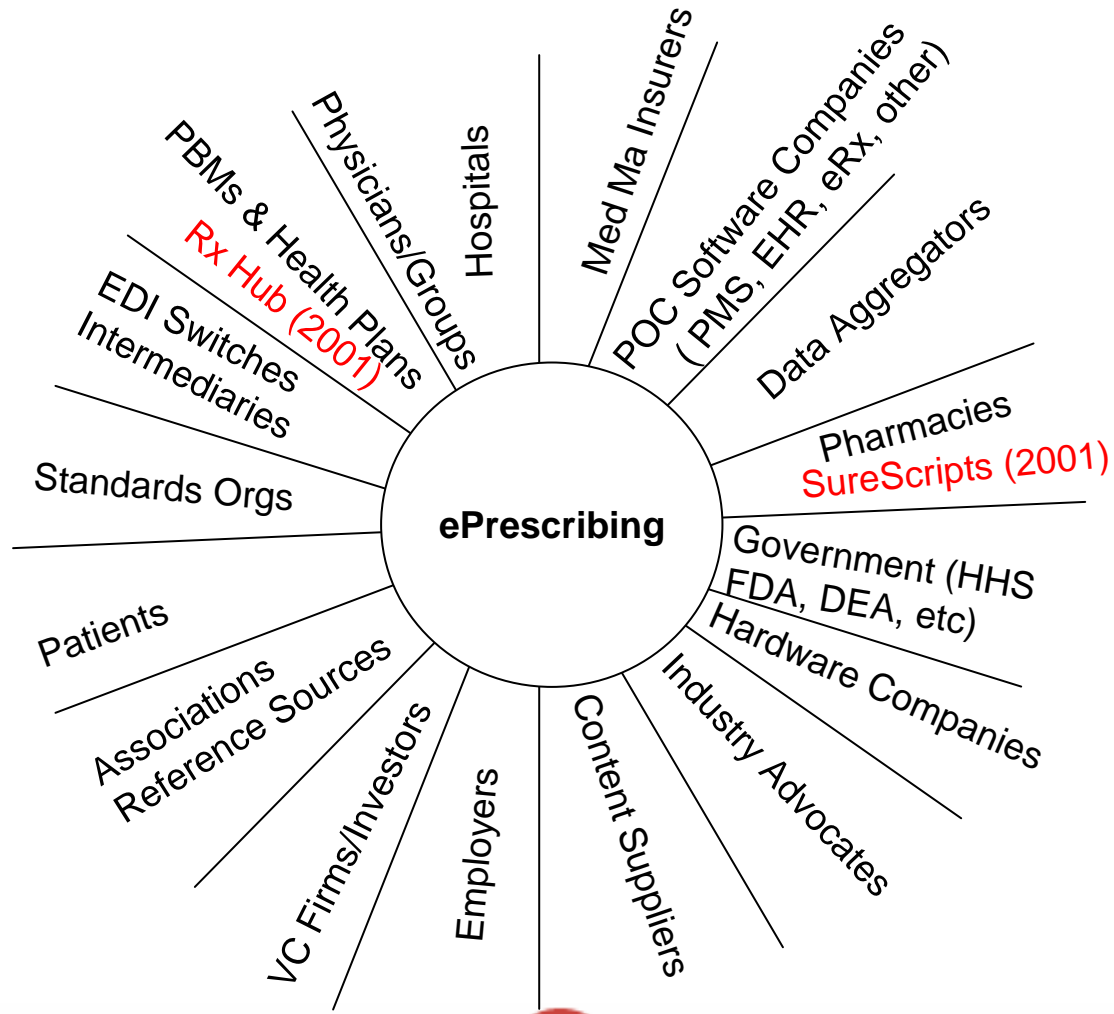
ePrescribing Components & Value



Data Flow of Interoperable ePrescribing



ePrescribing Stakeholder Analysis



Benefits: Employers/PBM/Plan

Improve quality of care

- ◆ Decreases potential medication errors due to illegible prescriptions
- ◆ Facilitates improved care management (e.g. detection of adherence issues)

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



Published Studies: ROI to Employer/Plan/PBM

Study	Results
Health Alliance Plan (HFMG – MI) 2005/2006 (2 year period)	Cost reduction of \$1.5M due to improvement in GUR. Administrative savings = \$700K Estimated impact of ADEs = \$540K
Affinity Health 2005	Avg costs ↓ \$4.12 for new Rx; PMPM ↓ 57¢ vs control; target drugs were 17.5% lower
Aetna 2005	No change in formulary compliance
Milliman/RxHub (Medicare) 2005	e-Rx has potential to reduce payer drug spend inflation by 1%/yr and mitigate customer service issues on up to 32% of prescriptions under a highly restrictive formulary
Univ. of VA. 2003	Annual drug cost savings in a general medicine academic group = 2%; Estimated ADE cost reduction of 62%
Tufts Healthplan 2002	Wide-spread deployment of eRx could mitigate rising pharma costs by 2% or more
Medco 2002	15.3%↑ in generic substitution; 8.1% ↑ in generic dispensing
Allscripts 2000	Aggregate impact by plan varied, ranging from 75¢ to \$3.20/Rx

Published Studies: Practice Quality & Safety

Study	Results
Health Alliance Plan (HFMG – MI) 2006	<p>85% of physicians believe e-Rx has improved the practice of medicine at their clinic.</p> <p>77% of physicians believe e-Rx improves the safety of patient care.</p> <p>70% of physicians believe e-Rx improves patient satisfaction.</p>
Rand (Horizon BCBS-NJ) 2006	Medication history perceived as very useful & worth the effort.
Surescripts (Brown Univ; Midwestern Univ) 2006	<p>75% physicians believed patient safety & quality of care improved.</p> <p>50% physicians perceived communication with patients improved.</p>
Surescripts & Walgreens 2006	11% improvement in new prescriptions filled by patients 3 months after e-Rx implemented (variable influences patient adherence)

Benefits: Prescribers

Reduce Cost

- ◆ Reduce phone calls
- ◆ Reduce chart pulls
- ◆ **Streamline prior authorization process**
- ◆ 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
- ◆ **Avoid potential adverse drug events**

Improve patient satisfaction

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



Published Studies: Practice Efficiency

Study	Results
Health Alliance Plan (HFMG – MI) 2006	57% physicians believe there is a reduction in time spent by support staff.
Rand (Horizon BCBS-NJ) 2006	80% reduction in callbacks related to coverage issues.
Surescripts (Brown Univ; Midwestern Univ) 2006	90% physicians noted improvement in care efficiency. 50%+ reduction in time consumed to manage refill requests and pharmacy callbacks.
Health Management Technology 2003	\$48,000 saved per year by a practice that automated refills.
Medco 2003	42% reduction in pharmacy calls to practice.
Tufts Healthplan 2002	2 hours per day saved per physician, 30% reduction in phone calls.
BCBS Hawaii 2000	50% reduction in pharmacy phone calls.
Kokomo Family Care 2000	42% reduction in pharmacy-related calls; 84% reduction in calls related to formulary.

Benefits: Patients

Improve quality of care

- ◆ Decreases potential medication errors due to illegible prescriptions
- ◆ Facilitates improved medication compliance
- ◆ Contributes to improved self-management performance

Reduce cost

- ◆ Reduced out of pocket costs
- ◆ Better utilization of cost-effective alternatives

Improve customer satisfaction

- ◆ Reduces pharmacy wait times
- ◆ More predictable co-payment

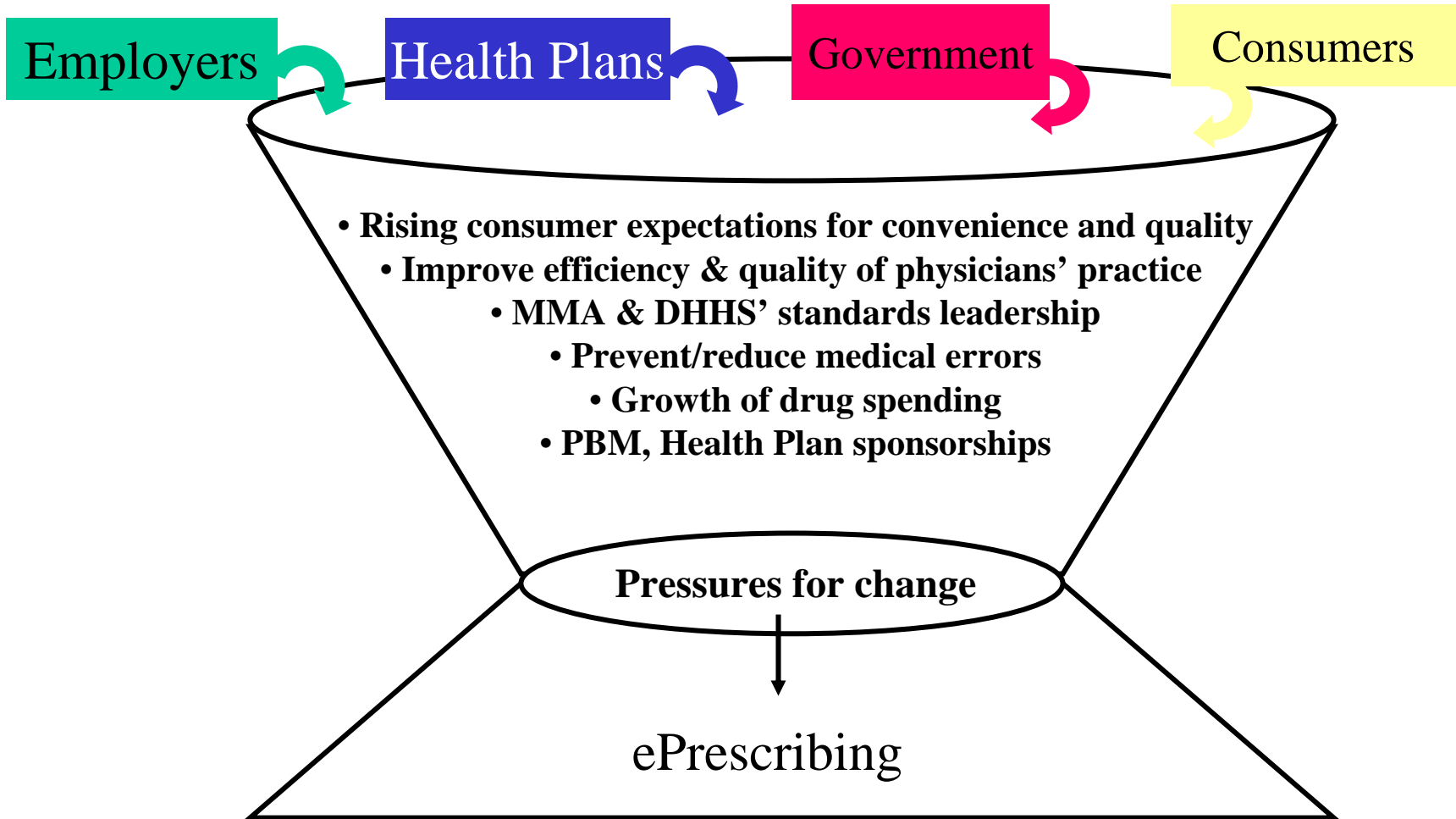


Drivers & Trends



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e-Prescribing Market Drivers



MMA (Medicare Part D) & ePrescribing

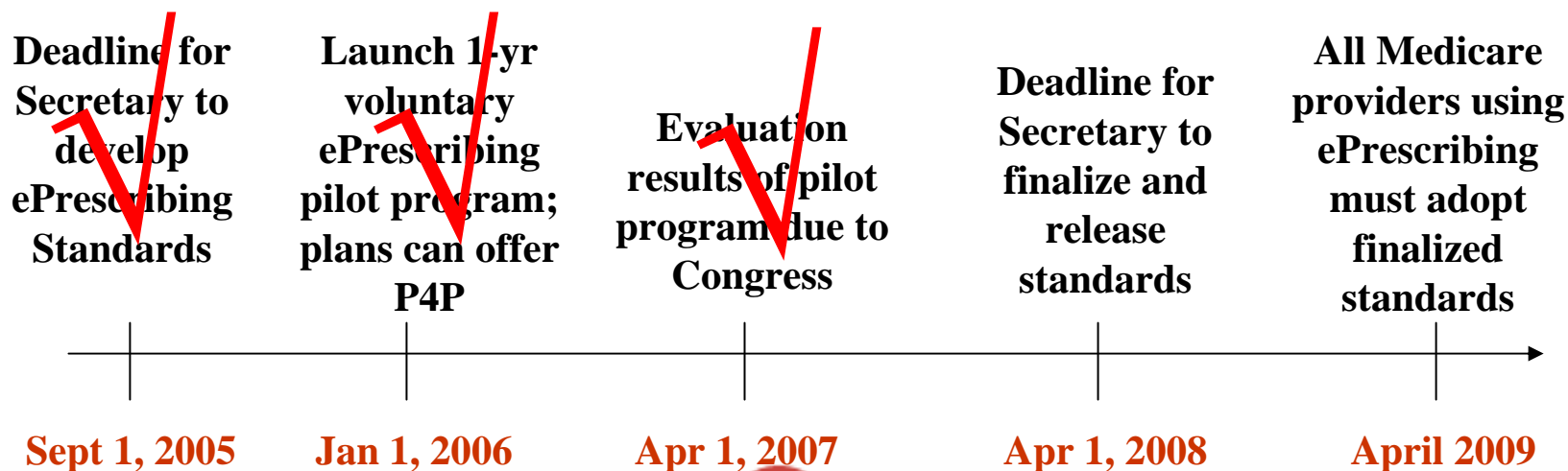
- ▶ MMA established a real-time ePrescribing program to be used by prescribers, plans, pharmacies and pharmacists who serve Medicare patients
 - ▶ No mandate, but if used, standards must be followed
- ▶ NCVHS tasked with identifying foundation standards required for January 2006 implementations.
- ▶ Directed 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



Impact of MMA (Medicare Part D)

➤ Progress-to-date

- Issued final rule naming foundation standards (11/05)
- Awarded 5 grants for ePrescribing pilots (12/05)
- New regulations excepting interoperable EHRs from safe harbor and Stark laws issued by HHS (08/06)
 - Clarification from IRS on not-for-profit entity subsidies expected soon (03/07)
- Published results from pilots (04/07)
- Announced a 5-year financial incentive program/demonstration project for 1,200 small- to medium-size Physician groups (10/07)
- Issued NPRM on final rules (11/07)



ePrescribing by the numbers...

17% MDs prescribing electronically

(Gorman Health Group, 2007)

85% Pharmacies enabled for ePrescribing

(SureScripts/Medavant, eRx Networks, RxHub)

25-30 million Prescriptions sent online to Pharmacies

(David Bernauer, CEO, Walgreens, 2007)

7.5% US hospitals using CPOE for Rx orders

(KLAS, 2006)

24% Outpatient EMR use

(National Center for Health Statistics, 2006)

210 million Lives for whom formulary & benefits are contractually available through RxHub

\$29 billion Potential annual ePrescribing savings

(Center for Information Technology Leadership, 2004)



High-Level Trends

- ▶ 10% to 15% increase in adoption 2006 to 2007
- ▶ Increasing interest among EMRs to develop (or acquire) more advanced eRx functionality
 - ▶ But EMR development cycles are still longer & EMRs are not innovators of eRx functionality
- ▶ Growth of coalitions choosing to promote eRx
- ▶ Beginning to see results that support the eRx value proposition
 - ▶ MMA Pilots
 - ▶ Initiatives such as SE Michigan (SEMI)
- ▶ Removal of some barriers such as states that do not permit eRx



Partial List of Payer Initiatives

- ▶ CareFirst Expansion (2005)
- ▶ Horizon Expansion (2005)
- ▶ Fallon Clinic (2005)
- ▶ Taconic IPA (2004)
- ▶ BCBSTN (2004)
- ▶ Affinity Health (2004)
- ▶ Florida Medicaid Expansion (2004)
- ▶ CareFirst (2004)
- ▶ Kaiser Expansion (2004)
- ▶ Wellpoint (2004)
- ▶ BCBSMA/Tufts (2003)
- ▶ Horizon BCBS (2003)
- ▶ GHI (2002)
- ▶ Tufts Health Plan (2002)
- ▶ New Hampshire – Wellpoint/NEPSI (2007)
- ▶ Wellpoint-GM – Ohio (2007)
- ▶ TennCare (2007)
- ▶ Illinois E-Rx Collaborative (2007) \$\$
- ▶ e-Prescribe Florida (2007)
- ▶ North Carolina (2006)
- ▶ Aetna – New Jersey (2005)
- ▶ Highmark (2005) \$\$
- ▶ IBC (2005) \$\$
- ▶ SEMI - GM, Ford, Chrysler, Medco, BCBSMI
CVS Caremark, HAP (2005) \$\$



Model Alternatives

- ➔ Business Models
 - ➔ Primary Health Plan (Go it Alone)
 - ➔ Multiple Health Plan (Coalition Model)
 - ➔ State Government/Regional Initiatives
- ➔ Economic Models
 - ➔ Full Sponsorship
 - ➔ Physician Subscription
 - ➔ Pay for Performance
- ➔ Single vs Multiple Vendors

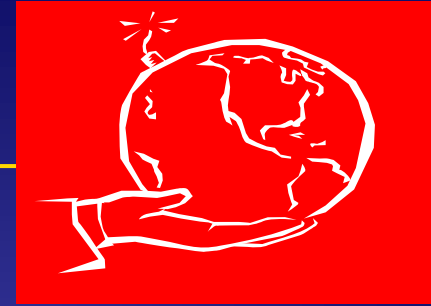


Southeast Michigan ePrescribing Initiative



Overview

The Genesis ...



Winter 2004

- General Motors executives observed:
 - Based on IOM estimates re: hospital deaths, approx. one GM enrollee dies PER DAY in the US due to hospital medical errors
 - GM could have built 4 new plants, launched 6 new vehicle programs or renovated 16 paint shops with its previous year's health care bill.
 - Every second of every day, GM pays for a medical procedure; every two seconds, it pays for a prescription.
- GM reached out to Medco, BCBSMI, employers to form coalition focused on ePrescribing
- GM asked Henry Ford Medical Group if they'd be willing to be "incubator" of an ePrescribing pilot study



Roles and Responsibilities

Southeast Michigan ePrescribing Initiative



GM, Chrysler, Ford

- ▶ Are the champions for this initiative, having been long-time aggressive champions of technology that improves health and safety of their employees, retirees and families



Health Plans

- ▶ The positive response from the leading Health Plans have enabled nearly 2,500 physician to implement ePrescribing solutions



Medco, CVS/Caremark

- Two leading PBMs providing support and consulting services for initiative.
- Medco is GM and Ford's PBM, and processes mail for BCBSMI and HAP; CVS/Caremark is Chrysler's PBM.



RxHub

- ▶ Has built the infrastructure required to support the secure, bi-directional exchange of patient-specific prescribing information between physicians and benefit managers



SureScripts

- Has build the infrastructure required to support connectivity of electronic prescribing to retail chains and community based pharmacy

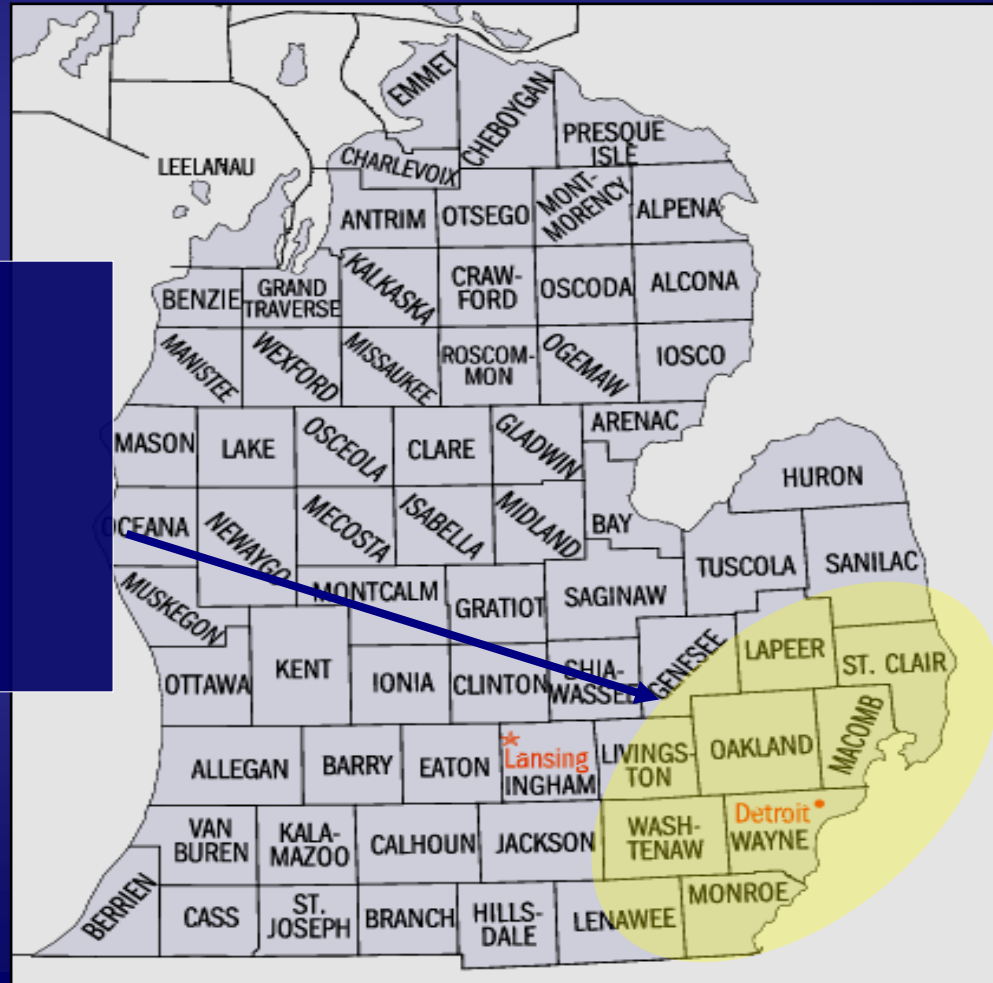


Southeast Michigan

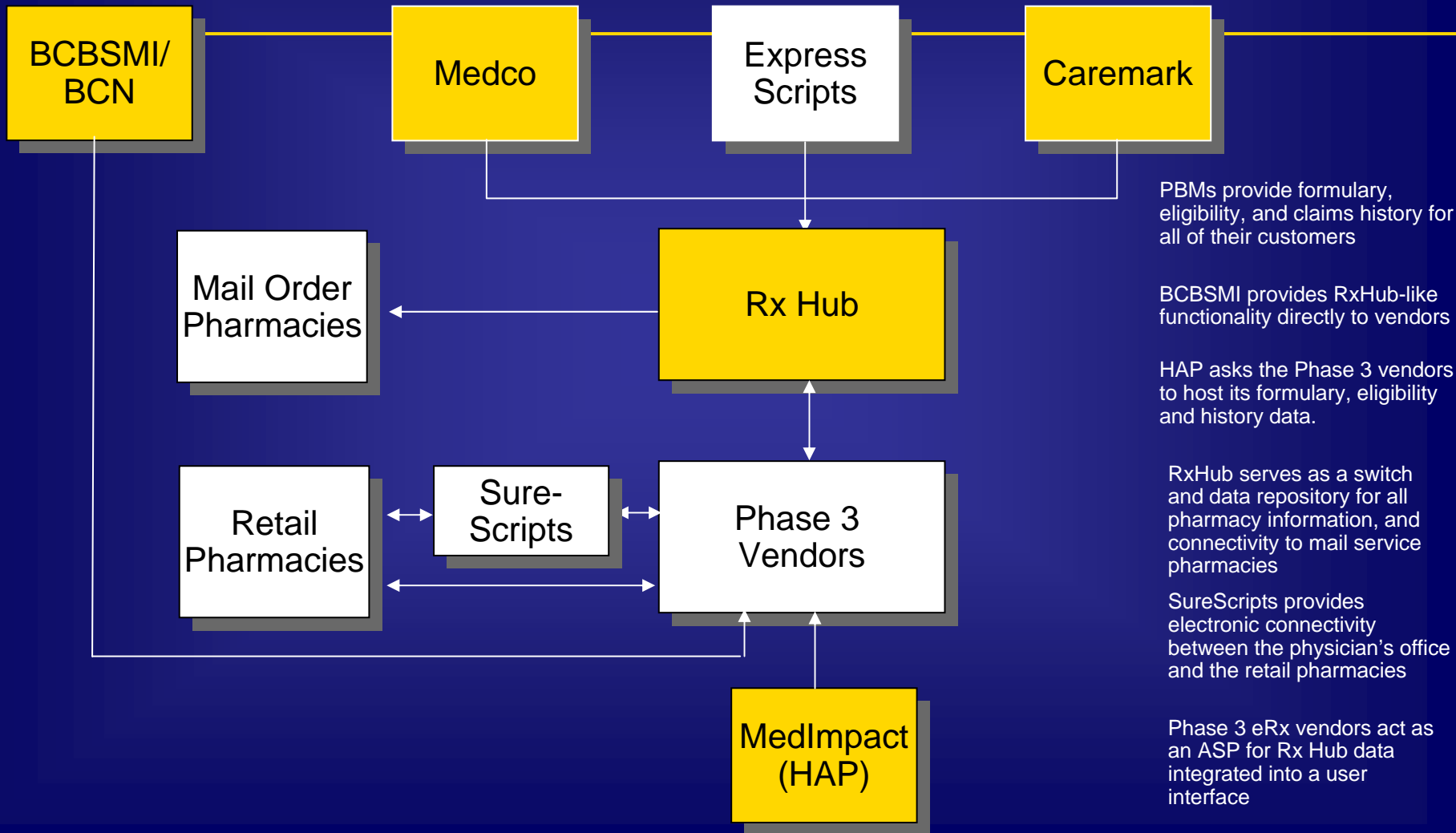
Market Profile

SEMI Counties

- Wayne
- Oakland
- Macomb
- Washtenaw
- St. Clair
- Monroe
- Livingston



Solution Overview



SEMI Goal

To Accelerate the Adoption of ePrescribing



- Provide incentives to physicians, especially high prescribers, to acquire and utilize ePrescribing software applications
- Measure the impact on ePrescribing to inform prescribers when drug interactions, allergies or other alerts occur when a prescribed drug was counter indicated
- Measure the impact of ePrescribing to inform prescribers about appropriate generic or preferred brand alternatives at the point of care
- Delivery of an electronic prescription to the retail or mail order pharmacy of the patients choice



SEMI ePrescribing Initiative

High Level Project Plan



Phase One

Infrastructure

- Built All-Payer Network
- Chose Portfolio of Vendors
- Educated the Community
- **Identified Physician Leaders or Champions**
- Incentives – “Skin in the Game”
 - \$500/MD participant

Phase Two

Adoption

- **IPA/PO/Group Recruitment**
- Leveraged the Network
- Community Outreach
- Implementation/Training
- Performance-Based Incentives:
 - \$1000/MD payable in 2 installments



SEMI ePrescribing Initiative

Vendor Participants



Phase One

Allscripts:

Touchworks

Touchscript

Healthmatics/A4

Centricity

DrFirst

eMaxx

ERX

HealthRamp

KeyMed

MedPlus

Misys

NextGen

NewCrop

ProxyMed

RelayHealth

RxNT

WebMD

Phase Two

- DrFirst (68%)
- NextGen (11%)
- RelayHealth (9%)
- MedPlus (6%)
- RxNT (5%)
- Phase 1 Others (2%)



SEMI ePrescribing Initiative

Phase 3

Phase 3 - Overview

Utilization

- Convert non- or low-utilizers to continuous users
- Support Phase 2 commitments
- Recruit new physicians
- Continue Performance-Based Incentives:
 - \$1000/MD payable in two installments

Phase 3 - Vendors

- DrFirst (68%)
- NextGen (11%)
- RelayHealth (9%)
- MedPlus (6%)
- RxNT (5%)
- Misys eScript



Southeast Michigan ePrescribing Initiative



Results

SEMI ePrescribing Initiative

By the Numbers – January 2005 to August 2007

2,500 Physicians enrolled in SEMI

6.3 million ePrescriptions written on certified vendor systems

(Phase 3 Vendors: NextGen, DrFirst, Relay Health, Quest/MedPlus, RxNT)

1 million Drug-to-Drug alerts generated

(high or moderate severity level)

400,000 Changes as a result of Drug-to-Drug alerts

40% Percent of prescriptions changed as a result of d-d alerts

100,000 Drug-to-Allergy alerts generated

40,000 Changes as a result of Drug-to-Allergy alerts

41% Percent of prescriptions changed as a result of d-a alerts

53,000 Dispensed medication histories downloaded



SEMI: An Unqualified Success Story

Growing Physicians, eRx Volume

Month	Physicians	Retail		Mail		Print	Renewals	Total
		EDI	Fax	EDI	Fax			
8/2007	2,444	139,186	59,775	12,775	5,364	50,966	14,211	281,998
7/2007	2,435	129,067	57,317	11,664	4,951	48,100	12,822	263,921
6/2007	2,230	122,702	55,551	10,829	5,709	40,794	10,883	244,047
5/2007	2,153	130,404	50,789	10,409	5,305	30,140	8,462	235,509
4/2007	2,029	122,356	47,186	9,882	4,011	28,345	8,017	219,835

Physician Growth




eRx Growth



HFMG ePrescribing Project

Preliminary Results – Prescribing Patterns

# Participating Doctors		900
# of Electronic Prescriptions		1,000,000
# of changed scripts based on formulary msgs		63,000
# of changed scripts based on drug-to-drug msgs		98,000

Based on improvement in generic dispense rates, reduced medication errors and improvement in clinic/physician work flow, the Henry Ford Health System forecasts over \$1 million in recurring annual savings from e-Prescribing.

Results are ePrescribing HFMG physicians for twelve months for HAP-insured patients



Lessons Learned

From 3-Years of Successful Collaboration

- Key large employers can be advocates and catalysts
- ePrescribing can be implemented fairly quickly & easily
 - But it is more complex than automating the Rx process
- ePrescribing shows measurable value in the areas of:
 - Improved generic use rate
 - Streamlined administrative processes
 - Reduced adverse drug events
- Practice support is key
- Working with aggregators can accelerate adoption
- Having a “short list” of qualified vendors is critical
 - Physicians practice medicine differently and need options
 - Don’t forget about EMRs; at a minimum have a path to one

There’s a hierarchy to executive project management

- Good project managers get you so far
- Good, local project managers get you further
- ePrescribing experts can take you to another level



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