

# Southeast Michigan ePrescribing Initiative



## Incentive Overview

# Agenda

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- SEMI History/Overview
- Aligning Incentives
- Results



# Southeast Michigan ePrescribing Initiative



Overview

# The Genesis ...

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## 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, and have been 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, process mail for BCBSMI and HAP; CVS/Caremark is Chrysler's



### 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



# SEMI Goal

## *To Accelerate the Adoption of E-Prescribing*



- Improve the health and safety of 3-Autos employees, retirees and their families
- 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

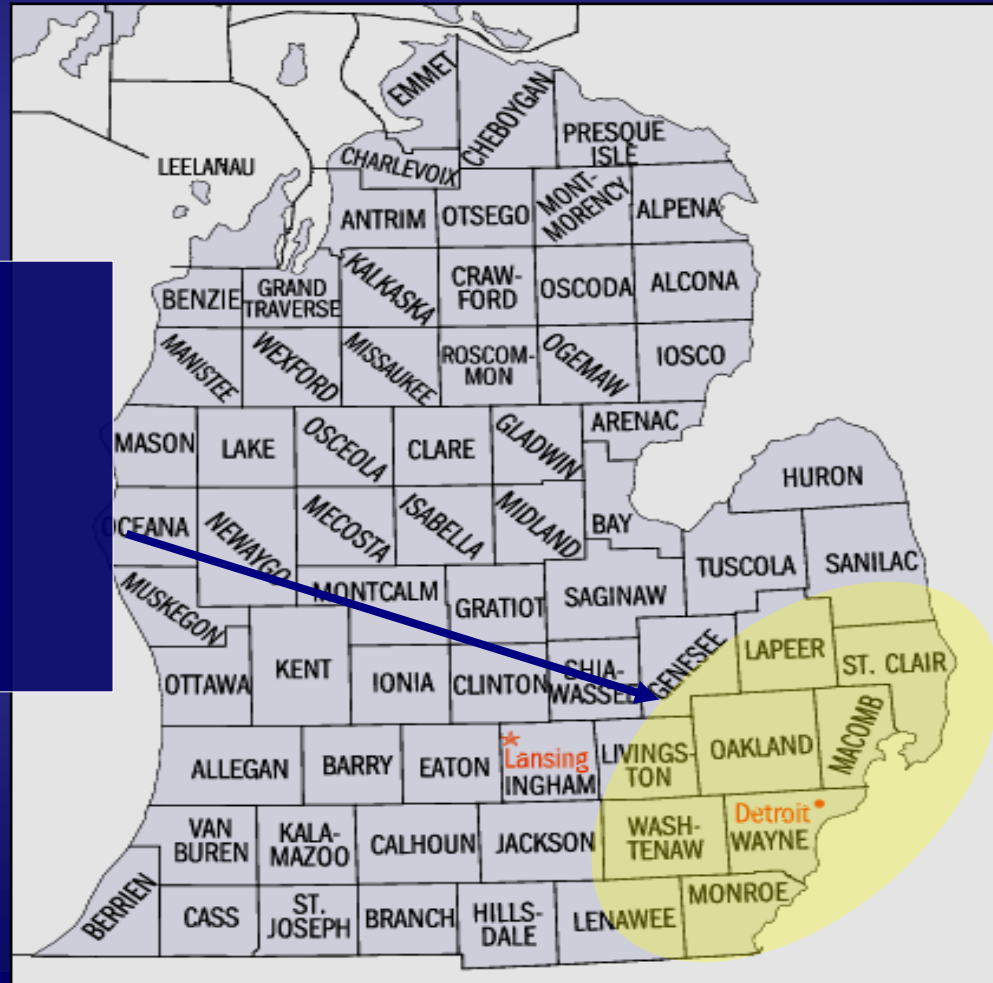


# Southeast Michigan

## Market Profile

### SEMI Counties

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



# 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 Partners



### Phase One

Allscripts:	KeyMed
Touchworks	MedPlus
Touchscript	Misys
Healthmatics/A4	NextGen
Centricity	NewCrop
DrFirst	ProxyMed
eMaxx	RelayHealth
ERX	RxNT
HealthRamp	WebMD

### Phase Two

- **DrFirst** – stand-alone eRx system integrated with EMRs, multiple PMSs
- **NextGen** – EHR w/significant Michigan marketshare
- **RelayHealth** – Online visit product
- **Quest Diagnostics/MedPlus** – EHR integrated with laboratory
- **RxNT** – stand-alone eRx system integrated with leading PMS (Genius)
- **Misys eScript (InstantDx)** – stand-alone eRx integrated with leading PMS (Misys)



# 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%)
- Phase 1 Others (2%)



# Southeast Michigan ePrescribing Initiative



Incentives

# Pay-for-Performance & e-Prescribing: The Big Picture

P4P programs address **Quality Domains** of a classic care continuum:



Adapted from Donabedian, A. 1980

Information  
technology  
infrastructure  
incentives

Utilization of  
Technology

Drug cost savings,  
Reduction in ADE's

# Value Partnerships and P4V: Alternative strategy to P4P

Partnering-for-Value vs. pay-for-performance

Aligned with social mission of BCBSM vs.

sole focus on plan's members (e.g., all-payer DM registries)

Collaborative approach with providers vs. adversarial

Focused on system transformation vs. arguing about data, metrics, etc.

- Self-managing committees among physician groups (mentoring)
- Sharing of best practices (raise all ships)
- Utilizing Institute for Healthcare Improvement's chronic care model as guide for systems improvement





# Blue Cross Blue Shield of Michigan Value Partnerships

## Physician Group Incentive Program (PGIP)

- Chronic care management process improvement
- **Increase generic prescribing; reduce drug costs**
- Incentive pool distributions based on meeting targets

## Physician Organization Gain-sharing Program (POGS)

- Target measurable savings in ancillary and hospital costs; specialist referrals
- Invest in infrastructure to enable performance improvement
- Portion of cost savings shared with physician groups

2006: 4,700 participating physicians;  
5.3% YOY increase in generic dispensing





# Physician Incentive Program Goals

## PGIP (launched Q1 2005)

### Improve chronic disease care

- Diabetes
- Asthma
- Coronary heart disease
- Congestive heart failure

**Increase generic prescribing** for BCBSM members, decrease \$PMPM for NSA and PPI, and decrease \$PUMPM for Statin and Anti-depressants

## POGS (launched Q2 2006)

### Achieve measurable savings

- Pharmacy costs
- Laboratory costs
- Diagnostic imaging
- In-network referrals
- Acute care (hospitalization)

Strengthen the performance improvement infrastructure available to clinicians





# Physician Incentive Program Impact

31 groups / 4,700 physicians / 1,200,000 patients

## PGIP (as of 12/06)

### **16 groups (2,700 MDs treating 644k patients)**

Advantage Health Physicians, Grand Rapids  
Genesys Integrated Group Physicians, Flint  
Henry Ford Medical Group, Detroit (1Q06)  
Huron Valley Physicians Association, Ann Arbor  
Integrated Health Associates, Ann Arbor  
McLaren Medical Management, Flint  
Medical Network I, Rochester  
Michigan Medical, P.C., Grand Rapids  
ProMed Healthcare, Kalamazoo  
Regional Delivery Network of West Michigan  
Sparrow Family Medical Services, Lansing  
St. John Health, Medical Resource Group, Detroit  
United Oakwood Physicians, Dearborn (1Q06)  
United Physicians, Bingham Farms (4Q05)  
University of Mich. Health System Faculty Group Practice, Ann Arbor  
Upper Peninsula Health Plan, Marquette (4Q05)

## POGS (as of 12/06)

### **15 groups as of 2Q06 (2,000 physicians treating 545,000 patients)**

Bronson Medical Group, Kalamazoo  
Consortium of Independent Physician Associations, E. Lansing  
DMC Primary Care Partners, Eastpointe  
Hackley PHO, Muskegon  
Hurley PHO, Flint  
Integrated Health Partners, Battle Creek  
Mercy~Physician Comm. PHO, Port Huron  
MSU Health Team, E. Lansing  
Oakland Physician Network Services  
Oakland Southfield Physicians  
Physician Healthcare Network, Ft. Gratiot  
Primary Care Partners (Covenant), Saginaw  
St. John's Health Partners, Warren  
St. John Medical Group  
West Michigan Physicians Network (includes POWM)



# BCBS-MI Incentive Program for Southeast Michigan ePrescribing Initiative (SEMI)



Philosophy is to ensure that MDs had “skin in the game”

\$1000 incentive, payable directly to physicians (not vendors) in two installments:

- \$250 after install, training and 10 eRx
- \$750 if “use” for 6 months (avg of 20 eRx/month)

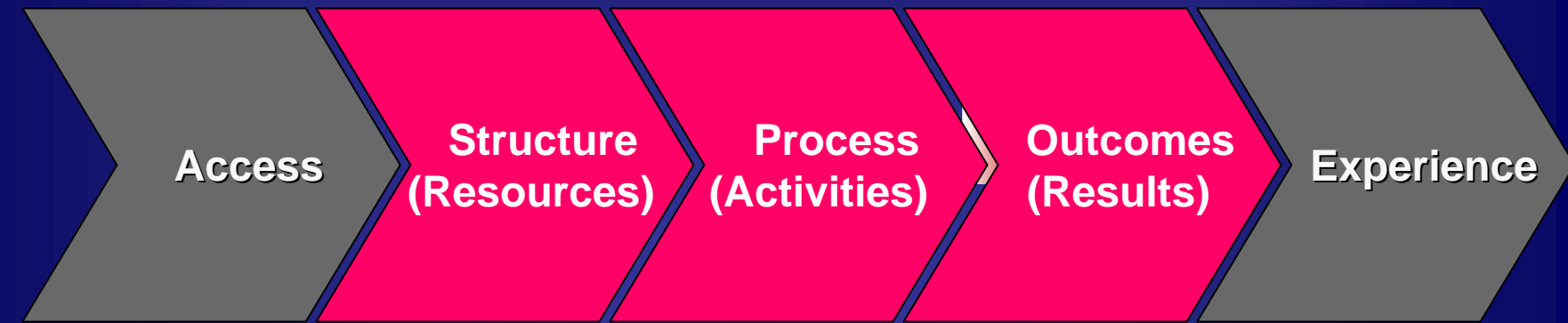
Phase 2 targeted IPAs and POs, who were receiving P4V dollars from BCBSMI

- Nine groups totaling 750 MDs
- Slight variation in installments (\$500-\$500) based on group commitment to support users

Utilization distribution similar to other initiatives but don't have to continue to pay indefinitely



# Summary of Pay-for-Performance Programs with ePrescribing Component



BCBsMI /SEMI		▲	▲	▲	
BCBS-MA		▲	▲	▲	
Bridges to Excellence		▲	▲		
CMS		▲	▲	▲	
IHA	▲	▲	▲		▲
Wellpoint AQI		▲	▲	▲	



# Southeast Michigan ePrescribing Initiative



## Results

# SEMI ePrescribing Initiative

*By the Numbers – January 2005 to August 2007*

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- 2,500** Physicians enrolled in SEMI
- 6.3 million** ePrescriptions written on certified vendor systems  
(Phase 2 Vendors: NextGen, DrFirst, Relay Health, Quest/MedPlus, RxNT)

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- 1 million** Drug-to-Drug alerts generated  
(high, 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

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- 100,000** Drug-to-Allergy alerts generated
- 40,000** Changes as a result of Drug-to-Allergy alerts
- 40%** Percent of prescriptions changed as a result of d-a alerts

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- 53,000** Dispensed medication histories downloaded

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# 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



# SEMI Utilization Stratification:

*Growing The Top-End While Keeping Non-Users Flat*

Vendor	Stratification	1/2007	2/2007	3/2007	4/2007	5/2007	6/2007	7/2007
All	<b>72+ eRxs</b>	892	1,037	1,089	1,172	1,226	1,256	1,390
All	<b>20-72 eRxs</b>	225	206	209	232	264	285	338
All	<b>0-19 eRxs</b>	217	218	208	200	274	207	298
All	<b>Non-users</b>	376	303	248	262	365	385	373
	<b>Total</b>	<b>1,710</b>	<b>1,764</b>	<b>1,866</b>	<b>2,129</b>	<b>2,230</b>	<b>2,435</b>	<b>2,444</b>

**72+ eRxs**



**Non-Users**



# HFMG ePrescribing Project

## *Preliminary Results – Prescribing Patterns*

# Participating Doctors	900
# of Electronic Prescriptions	2,950,000
# of changed scripts based on formulary msgs	92,000
# of changed scripts based on drug-to-drug msgs	274,000



**Based on improvement in generic dispense rates, reduced medication errors and improvement in clinic/physician work flow, the Henry Ford Health System forecasts over \$4 million in recurring annual savings from e-Prescribing.**

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



# The End

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