



Lessons Learned from the Southeastern Michigan ePrescribing Initiative (SEMI)

ePrescribing Forum 2009
September 22, 2009

Karl Dalal, Ford; James Lang, BCBSM; Matt Walsh, HAP, Henry
Ford Health System; Tony Schueth

Property of the Southeast Michigan e-Prescribing Initiative
This Information is Confidential and All Rights are Reserved

Agenda

- Ford Perspective (Karl Dalal)
- HAP Perspective (Matt Walsh)
- BCBSM Perspective (James Lang)
- SEMI Wrap-up, Q&A (Tony Schueth)





Southeast Michigan ePrescribing Initiative

**SEMI Overview/
Ford Perspective
– Karl Dalal**

About Ford Motor Company

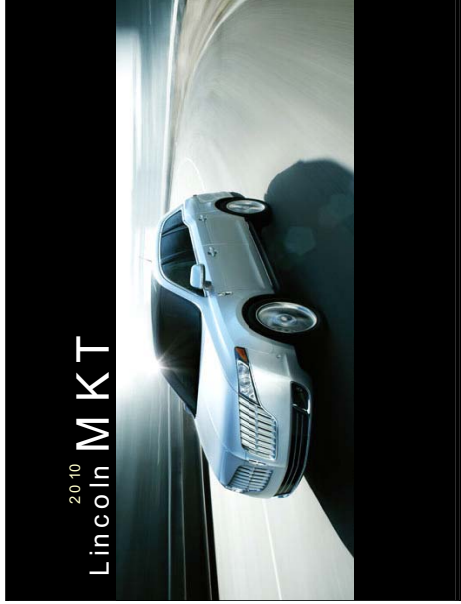


- Global automotive industry leader based in Dearborn, Michigan
- Manufactures or distributes automobiles across six continents
- 90 plants worldwide
- Fortune 10 Company
- Provides financial services through Ford Motor Credit Company
- Automotive brands include Ford, Lincoln, Mercury and Volvo
- Approximately 205,000 employees

2010 Ford Taurus



About Ford Motor Company



- Provides healthcare coverage for 450,000+ members
- Health care expenses in 2008 were \$1.3 billion
- In 2008, over 3.7 million prescriptions were administered by our self-insured plan with total costs of approximately \$375 million
- Out of all prescriptions, 65% were for generics

- For every one percentage point increase in generic utilization, Ford would save \$6 million
- 2.4% or 47,546 of Ford's total mail order prescriptions in 2008 for self-funded PPO's were electronically prescribed resulting in a savings of \$326,400



SEMI Background



Winter 2004

- GM, Ford and Chrysler executives observed:
 - Based on IOM estimates re: hospital deaths, approx. one auto enrollee dies PER DAY in the US due to hospital medical errors
 - GM, Ford and Chrysler could have built 9 new plants, launched 9 new vehicle programs with its previous year's health care bill.
 - Every second of every day, GM, Ford and Chrysler pay for a medical procedure; every two seconds, it pays for a prescription.
- GM, Ford and Chrysler executives reached out to Medco, BCBSMI to form coalition focused on ePrescribing
- Executives asked Henry Ford Medical Group if they'd be willing to be "incubator" of an ePrescribing pilot study



SEMI Roles and Responsibilities

GM, Ford, Chrysler



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 (BCBSM, HAP)



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 PBM.



SureScripts



Merged SureScripts and RxHub has built the infrastructure required to support the secure, bi-directional exchange of patient-specific prescribing info between MDs & PBMs



Point-of-Care Partners

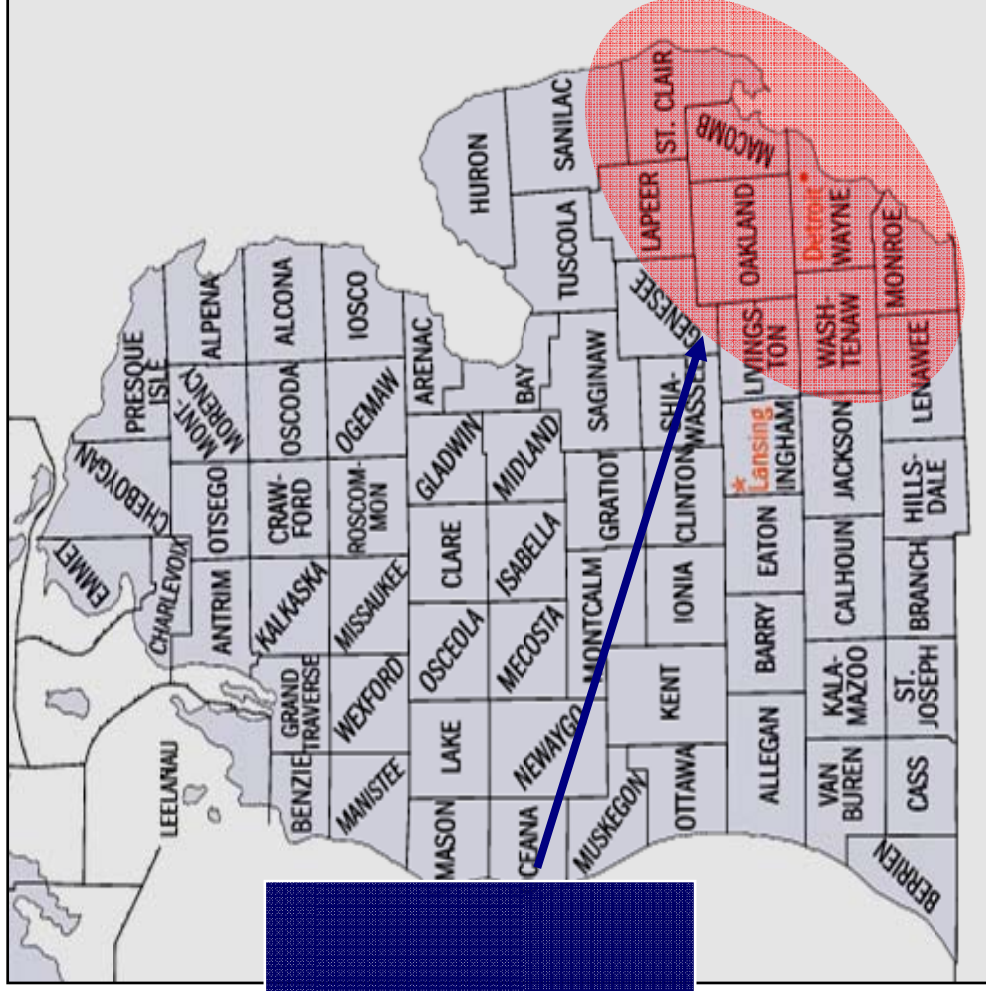
Provides project management and support



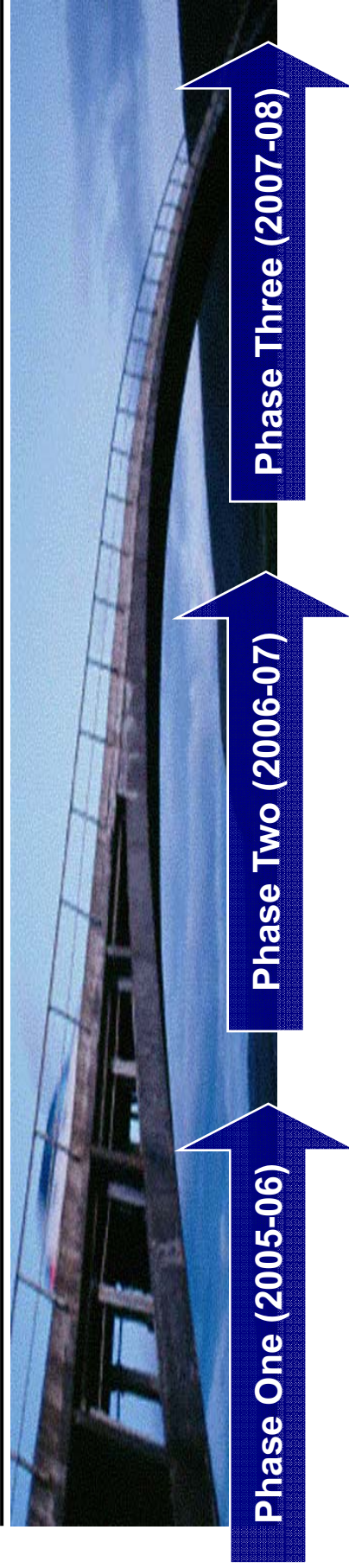
Southeastern Michigan Market Profile

SEMI Counties

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



SEMI Phases



Phase One (2005-06)

Infrastructure

- Built All-Payer Network
- Chose Portfolio of Vendors
- Educated the Community
- Identified Physician Leaders or Champions
- Incentives – \$500/MD

Phase Two (2006-07)

Adoption

- IPA/PO/Group Recruitment
- Leveraged Network
- Community Outreach
- Implement/Training
- Performance-based Incentives: \$1K payable
 - \$500 after install + 10 eRx
 - \$500 after 6 mos cont. use

Phase Three (2007-08)

Utilization

- Convert non- or low-utilizers to cont users
- Support phase 2 commitments
- Recruit new physicians
- Continue Performance-based Incentives



SEMI Phases - Continued



Phase Four (2009)

Super Utilization

Enhance Performance-based Incentives

- Raised the bar on second incentive installment

Continue to convert non- or low-utilizers to continuous users

- short-term phone campaign

Recruit new physicians

- 2 mos of 3 "feet on the street"

Phase Five (???)

Support and Educate

Face-to-face and online CME programs

High-Touch

- Coordinated, longer-term telephone campaign and site visits

Possible elimination of incentive program

Involvement of other health plans

ROI Analysis

Compared 1,165 SEMI-enrolled Prescribers vs. a Control Group of 1,000 similar Prescribers

Consolidated Savings = \$4.78 per script

- Estimated Retail Savings = \$2.11 per script
- Estimated Mail Savings = \$7.44 per script

	<u>SEMI</u>	<u>Control Group</u>
Generic Dispensing Rate (GDR)	63.4%	60.8%
Mail Dispensing Rate (%Mail)	49.9%	44.1%

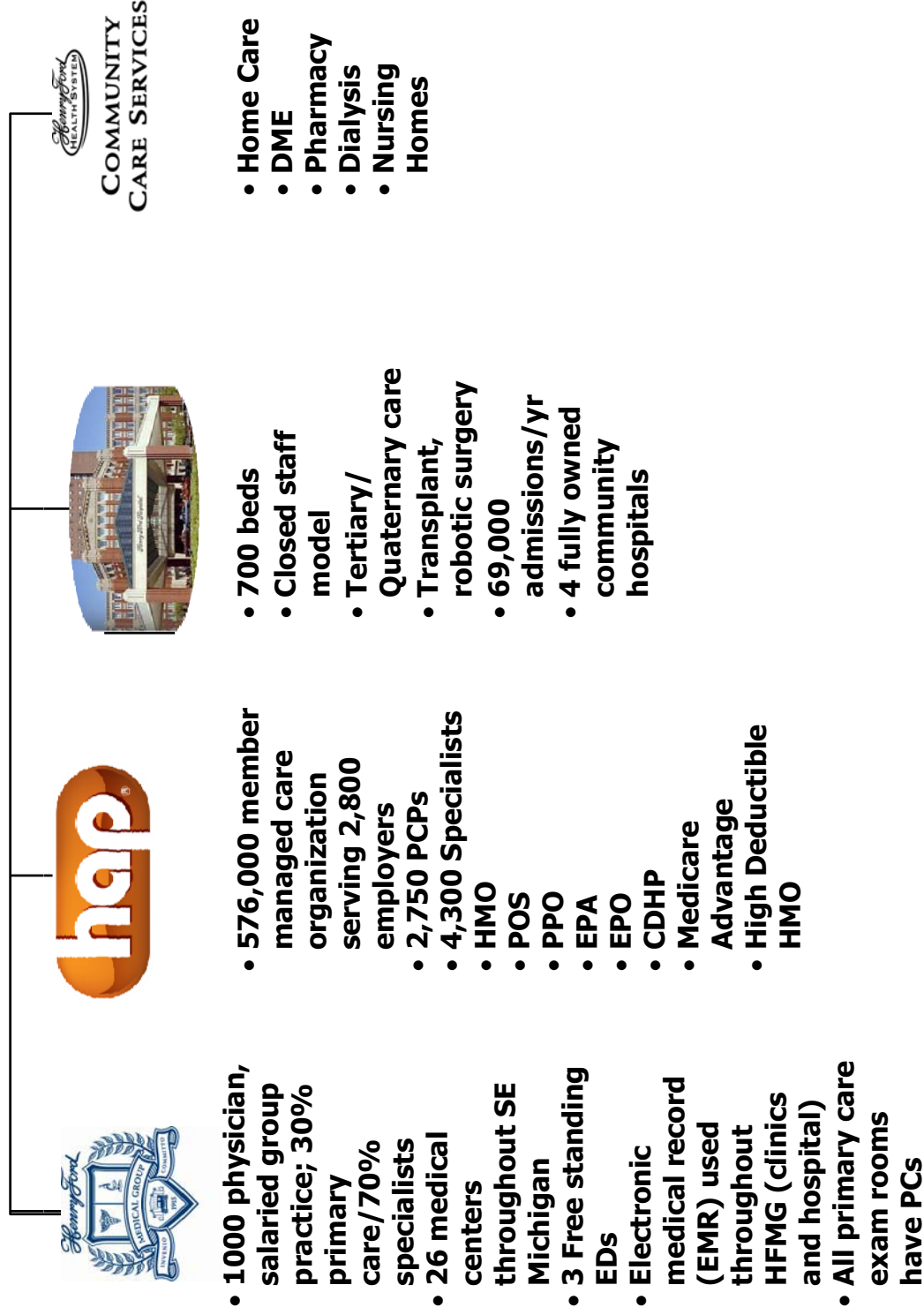




Southeast Michigan ePrescribing Initiative

**HAP Perspective
– Matt Walsh**

Henry Ford Health System Overview



Henry Ford Health System Overview – Statistics

- **3.1 million patient visits/year and more than 78,000 outpatient surgical procedures/year**
- **More than 1 million SE Michigan residents receive care from HFHS**
- **20% of ambulatory care and 10% of acute care services in southeast Michigan is provided by HFHS**
- **\$3.7 billion in revenue in 2008; net income \$8.5 million; \$160 million in uncompensated care**
- **Primary payor distribution:**
 - **33% Medicare**
 - **27% Health Alliance Plan (HAP)**
 - **17% BCBS-MI**
 - **11% Medicaid**

HFHS ePrescribing Initiative – History

- **September 2004** – GM asked HAP & HFMG to partner with auto companies to test ePrescribing via the Southeast Michigan ePrescribing Initiative (SEMI). HFMG agreed to be the incubator for testing ePrescribing and eight HFMG primary care clinics launch ePrescribing
- **January 2005** – HFMG/HAP launched first 4 HFMG primary care clinics on ePrescribing
- **April 2005** – Due to demonstrated benefit, HFMG decides to spread ePrescribing to entire medical group
- **January 2006** – HFMG completed implementation at all primary care clinics
- **April 2006** – Began partnering with Southeast Michigan IPAs to spread ePrescribing to private practice physicians
- **January 2007** – HFMG completed implementation in all outpatient specialty care clinics

ePrescribing: HFHS Value Proposition

- ❑ The Institute of Medicine's (IOM) 2001 Crossing the Quality Chasm report identified six critical dimensions of quality in healthcare. ePrescribing for HFHS impacts at least 4 of them:
 - Safe*
 - Efficient*
 - Effective*
 - Patient centered*
 - Timely
 - Equitable

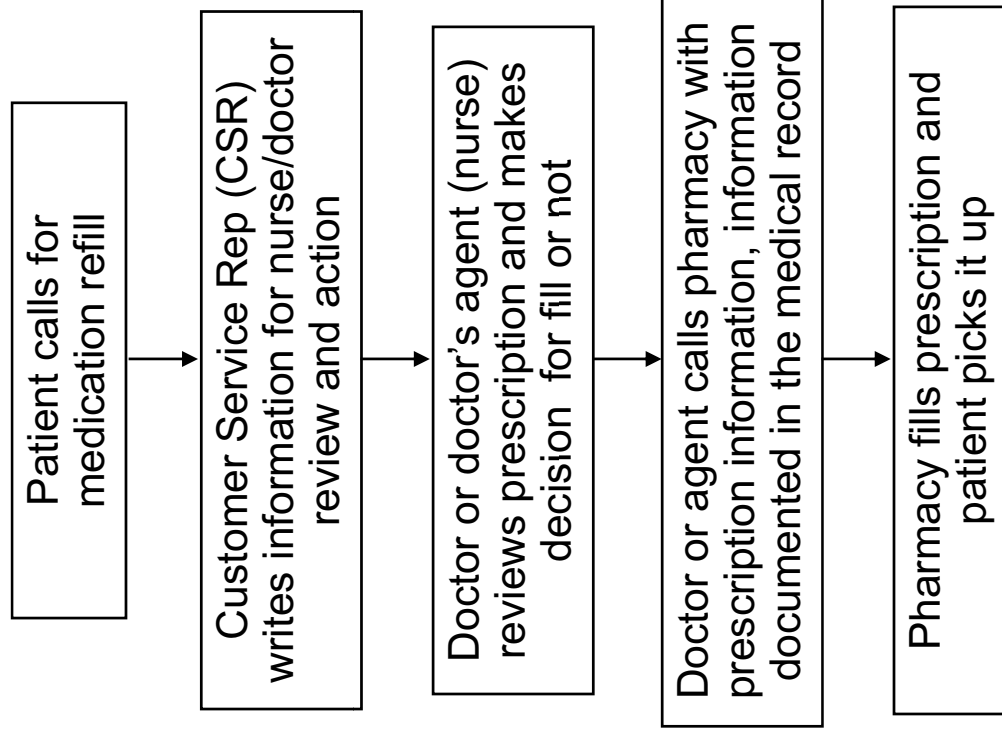
- ❑ Value Proposition
 - Safe - avoiding injuries to patients from care that is intended to help
 - Efficient - avoiding waste of equipment, supplies, and resources
 - Effective - avoiding underuse and overuse
 - Patient centered - providing care that is responsive to patient values and needs

ePrescribing Results at HFMG – Safe

- ❑ Over 420,000 prescriptions changed or cancelled due to drug to drug interaction warnings
- ❑ Over 31,000 prescriptions changed or cancelled due to drug/allergy warnings
- ❑ HAP prescription claims for HFMG patients were analyzed for incidences of claims for drug combinations considered severely contraindicated¹
 - Comparing the pre/post, there was a 24% reduction in the incidence of patients with prescription claims for severely contraindicated medications (warfarin and erythromycin, insulin and propranolol, lithium and thiazides, etc.)
 - There was also a 48% reduction in the incidence of

ePrescribing Initiative – Efficient

Sources of inefficiency, error and rework in paper-based refill process

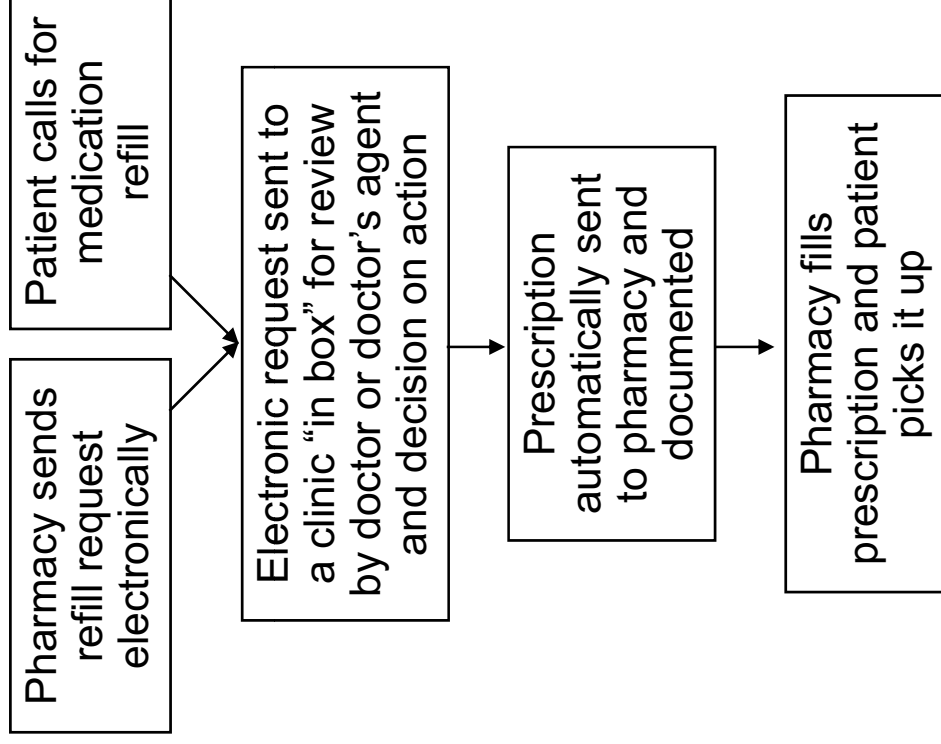


1. Patient gives wrong information or doesn't have information (I,E,R)
2. CSR incorrectly copies information (E,R)
3. Written information is misplaced and not seen by doctor (R)
4. Chart misplaced or slow to be located/retrieved (I,R)
5. Review time in chart (I)
6. Correct phone number for pharmacy needed (E,R)
7. Time spent on phone with pharmacy (I)
8. Transcription error at pharmacy (E,R)
9. Transcription error in medical record or not recorded (E,R)
10. Patient fails to get prescription (I,R)
11. Patient fails to notice error (E)

I=Inefficiency, E=Error, R=Rework

ePrescribing Value Drivers – Efficient

Sources of improved efficiency and decreased error



1. Greatly reduced time and no transcription errors
2. Information on patient available as prescription created
3. Requests not lost
4. Information available as decision made
5. Enormous time savings
6. No transcription

ePrescribing Value Drivers – Efficient

	New Prescription	Renewal
Exam Room	Provider: 😊 MA/Nurse: 😊	Provider: 😊 MA/Nurse: 😊
Phone Call / Fax	Provider: 😊 MA/Nurse: 😊 CSR: 😊	Provider: 😊 MA/Nurse: 😊 CSR: 😊

- ❑ 7,667,000 PRESCRIPTIONS SENT ELECTRONICALLY TO DATE
- ❑ Over 35,000 prescriptions generated per week

ePrescribing Value Drivers – Effective and Patient-Centered

□ Effective

- Over 141,000 prescriptions changed or cancelled due to formulary warnings
- HFMG has improved its HAP generic use rate overall from 56.7% to 74.8% (32% improvement)

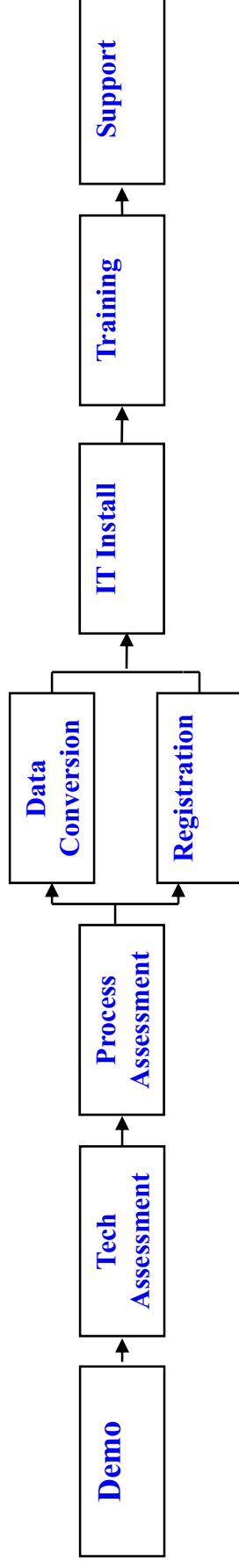
□ Patient-Centered

- 70% agree that ePrescribing improves patient satisfaction
- Patients report satisfaction with expedited handling of renewals at doctor's office, elimination of script drop off, and reduction in wait times at pharmacy

HFHS ePrescribing Results – Return on Investment

- HAP/HFMG initial capital investment of \$1.6 million plus annual operating costs averaging \$590,000 reaps total savings of more than \$1.9 million in total for 2005 and 2006
- Future estimated savings through 2009 will average \$4 million per year
- Based on realized improvement in generic use rate, the five year Return On Investment is now estimated to be over \$14M
- Key sources of cost reduction benefit are:
 - GUR Improvement – totaling \$1.5 million for 2005 & 2006 and estimated at \$3 million/year for 2007-2009
 - Administrative savings – totaling \$700,000 for 2005 & 2006 and estimated at \$560,000/year for 2007-2009
 - Estimated impact of reduced adverse drug events (ADEs) – totaling \$540,000 for 2005 and 2006 and \$540,000/year for 2007-2009

Keys to Implementation Success



- Setting the Stage
 - Vendor Selection
 - Pilot Site Selection
 - Physician Champions
- Feet on the Street
 - Clinic Assessment
 - Process/Roles/workflow mapping
 - Equipment
 - Data / IT integration
 - Training and Support

ePrescribing Expansion – Taking Lessons Learned to Private Practice Physicians

- United Physicians / PPN
 - 1,864 physician IPA with 476 PCPs; focused primarily in Oakland and Macomb counties
 - 46,000 HAP members
- Huron Valley Physicians Association
 - 600 physician IPA with 150 PCPs; focused primarily in Washtenaw county
 - 11,000 HAP members

ePrescribing Expansion – Private Practice Physicians

The chart below shows the overall utilization of ePrescribing by the networks HAP has partnered with directly

January 2005 – July 2009

Network	# of Physicians	Total Scripts	D/D Cancels ¹	%	D/A Cancels ²	%	Formulary Changes/Cancels ³	%
HFMG	950	5,944,783	635,679	10.7%	46,575	0.8%	141,119	2.4%
United Physicians	741	1,443,077	61,775	4.3%	5,583	0.4%	20,671	1.4%
Huron Valley	146	247,000	34,000	13.8%	6,000	2.4%	4,000	1.6%
CIPA	66	*	*	*	*	*	*	*
UOP	82	32,703	*	*	*	*	*	*
St. John	5	*	*	*	*	*	*	*
	1,990	7,667,563	731,454	9.5%	58,158	0.8%	165,790	2.2%

1 - Cancels = prescriptions cancelled by prescriber base on drug to drug warning received while prescribing

2 - D/A Cancels = prescriptions cancelled by prescriber base on drug allergy warning received while prescribing

3- Formulary Cancels/Changes - prescriptions cancelled/changed by prescriber based on formulary warning received while prescribing

* - not available



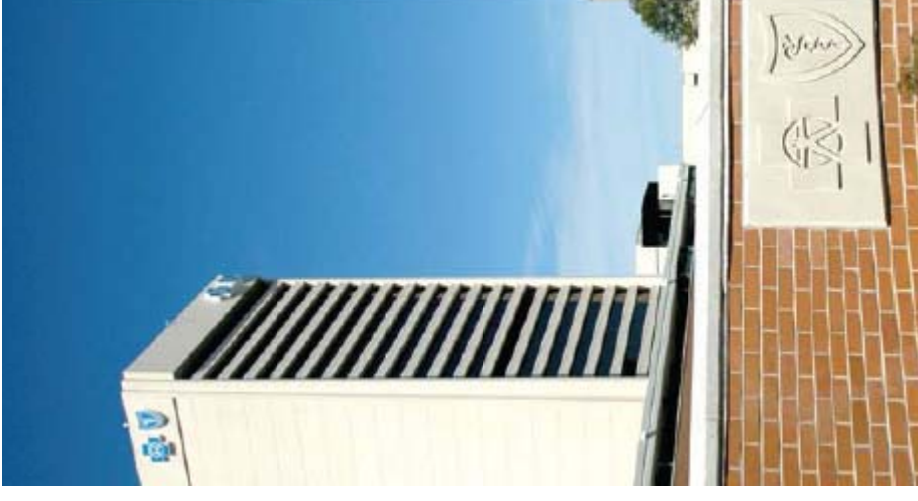
Southeast Michigan ePrescribing Initiative

**BCBSM Perspective –
James Lang**

Why does BCBSM Participate in SEMI?

BCBSM Social Mission

- As a nonprofit company and Michigan’s insurer of last resort, BCBSM engages in a wide variety of programs and activities designed to promote improve the health status of Michigan residents.**
- ePrescribing fits with our long standing tradition of partnering with customers and health care practitioners to give residents access to the best possible health care.**



What else do we do to promote ePrescribing in Michigan?

■ BCBSM Branded - DrFirst™ Rcopia Prescriber Offering



■ Value Partnerships - Physician Group Incentive Program



BCBSM - DrFirst Rcopia Prescriber Offering

- **Free** two year subscription of the BCBSM Electronic Prescribing management system
- **Free** one time and ongoing upload of patient demographic records when possible
- **Free** onsite training
- **Free** telephone support
- This offering is valued at over \$2,000



Property of the Southeast Michigan e-Prescribing Initiative
This Information is Confidential and All Rights are Reserved

Confidential Information-For Internal Blue Cross Blue Shield of Michigan Use

BCBSM - DrFirst Rcopia Highlights

- BCBSM has provided 1,172 licenses to date.
- Over 1.8 million prescriptions have been transmitted using BCBSM ePrescribing application (currently at 130,000 per month).
- Seeing positive trends toward higher generic prescribing (BCBSM analysis reveals higher GDR and lower DAW1 rate).
- Nearly 100,000 alerts for BCBSM members have been triggered with 22 percent resulting in action being taken by the prescribing doctor (i.e.. Interaction, Duplicate Therapy, Formulary, Allergy and Dosing Alerts).



BCBSM Value Partnerships

Physician Group Incentive Program

Includes 35 participating physician organizations from across Michigan, including 6,415 primary care physicians and specialists that care for about 1.6 million BCBSM members.

Incentive program is designed to improve the health care system in Michigan.

ePrescribing component began in 2008

Up to \$2,000 per physician for implementing a qualified ePrescribing system.

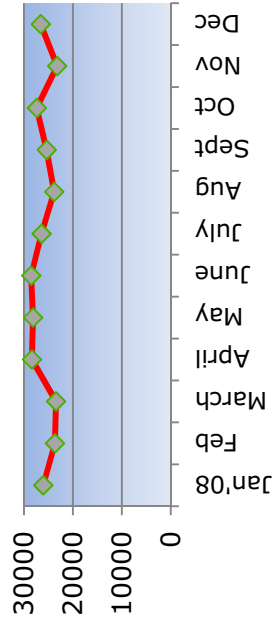
\$7.8 million paid in incentives for 2008



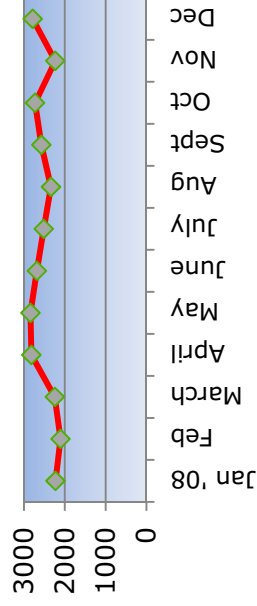
Patient Safety Considerations: 2008

Month	Drug Utilization Alerts/Changes					
	D-D	Δs	%	D-A	Δs	%
2008 Total	983,161	315,022	32%	88,157	25,021	28%
12/2008	93,842	26,562	28%	8,963	2,786	31%
11/2008	79,851	23,202	29%	7,325	2,234	30%
10/2008	92,463	27,408	30%	8,363	2,729	33%
9/2008	83,797	25,343	30%	7,722	2,574	33%
8/2008	76,995	23,811	31%	6,722	2,338	35%
7/2008	92,103	26,396	32%	7,128	2,516	35%

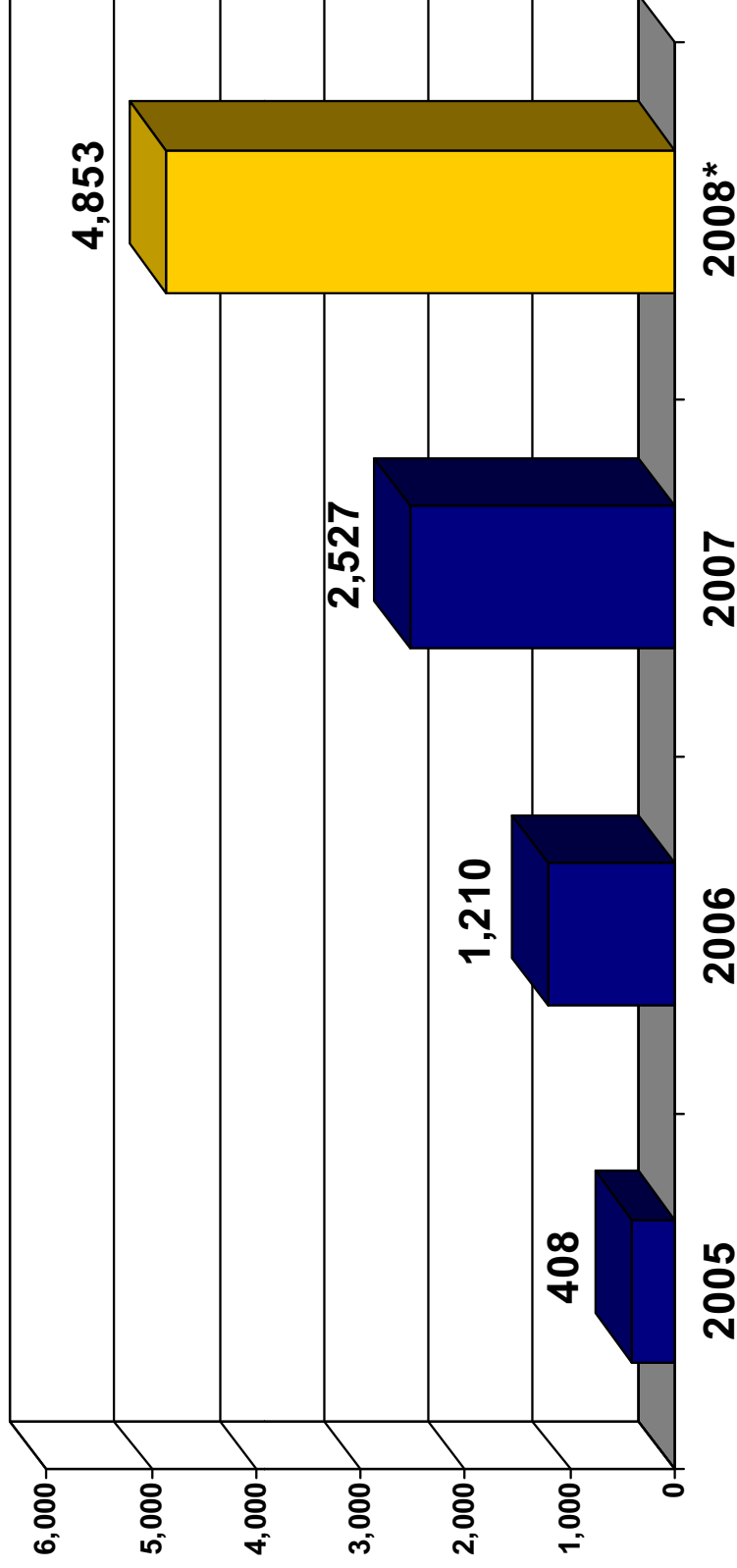
Drug-Drug Changes



Drug-Allergy Changes



Michigan Statistics – Prescribers



Source: Pharmacy Health Information Exchange, operated by SureScripts
SureScripts National Progress Report on E-Prescribing, December 2007.

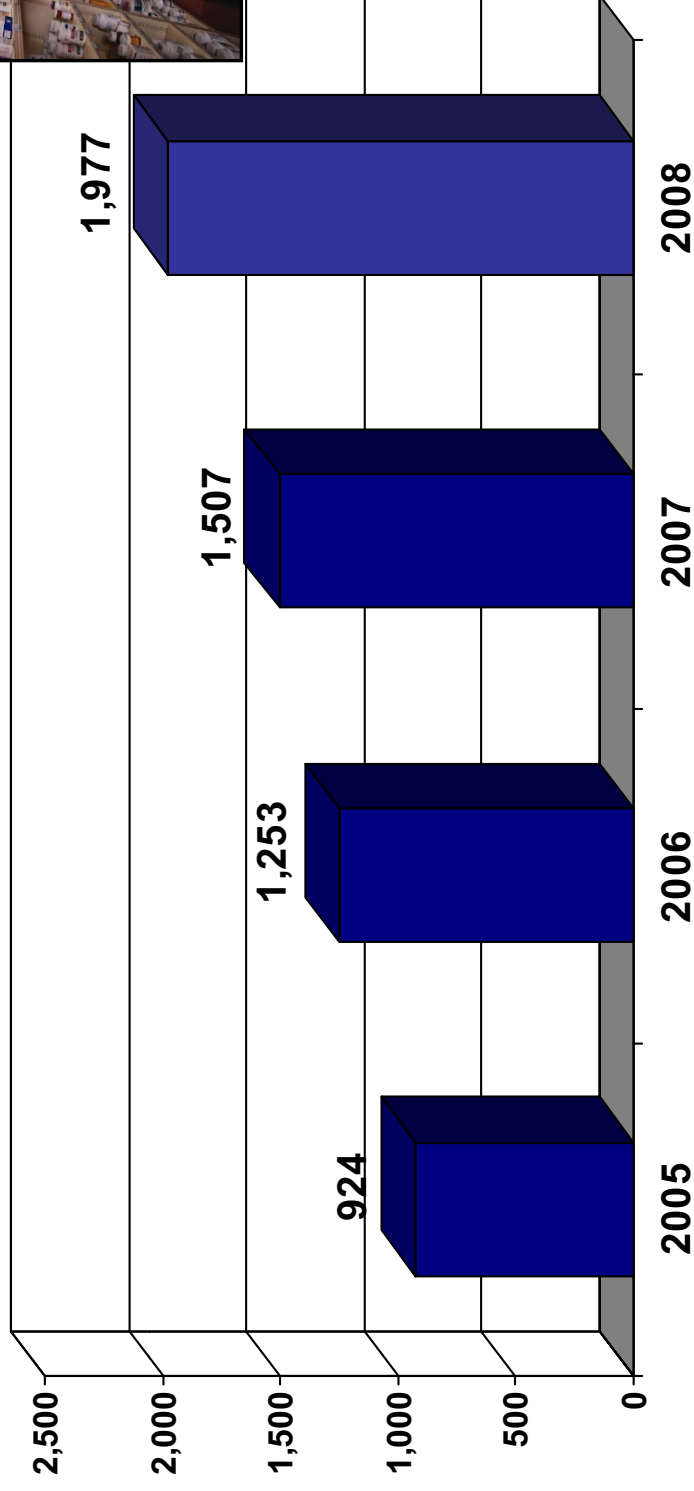
* Combined BCBSM program & SureScripts figures reported by Southeast Michigan e-Prescribing Initiative
Property of the Southeast Michigan e-Prescribing Initiative
This Information is Confidential and All Rights are Reserved



Michigan Statistics - Pharmacies



Community Pharmacies Capable of Routing Electronic Prescriptions



Source: SureScripts Michigan Progress Report on E-Prescribing, 2007 & 2008.



Property of the Southeast Michigan e-Prescribing Initiative
This Information is Confidential and All Rights are Reserved

Michigan ePrescribing Progress

2H2009 exceeds 2008 total!

	2008	2009
First Quarter	904,560	2,104,326
Second Quarter	1,013,432	2,449,751
Third Quarter	1,122,335	
Fourth Quarter	1,475,257	
Total	4,515,584	4,554,077
Percent of Total RX Volume	8.32%	17.13%



Southeast Michigan ePrescribing Initiative

**SEMI Results –
Tony Scheuth**



Property of the Southeast Michigan e-Prescribing Initiative
This Information is Confidential and All Rights are Reserved

ePrescribing User Assessment Study

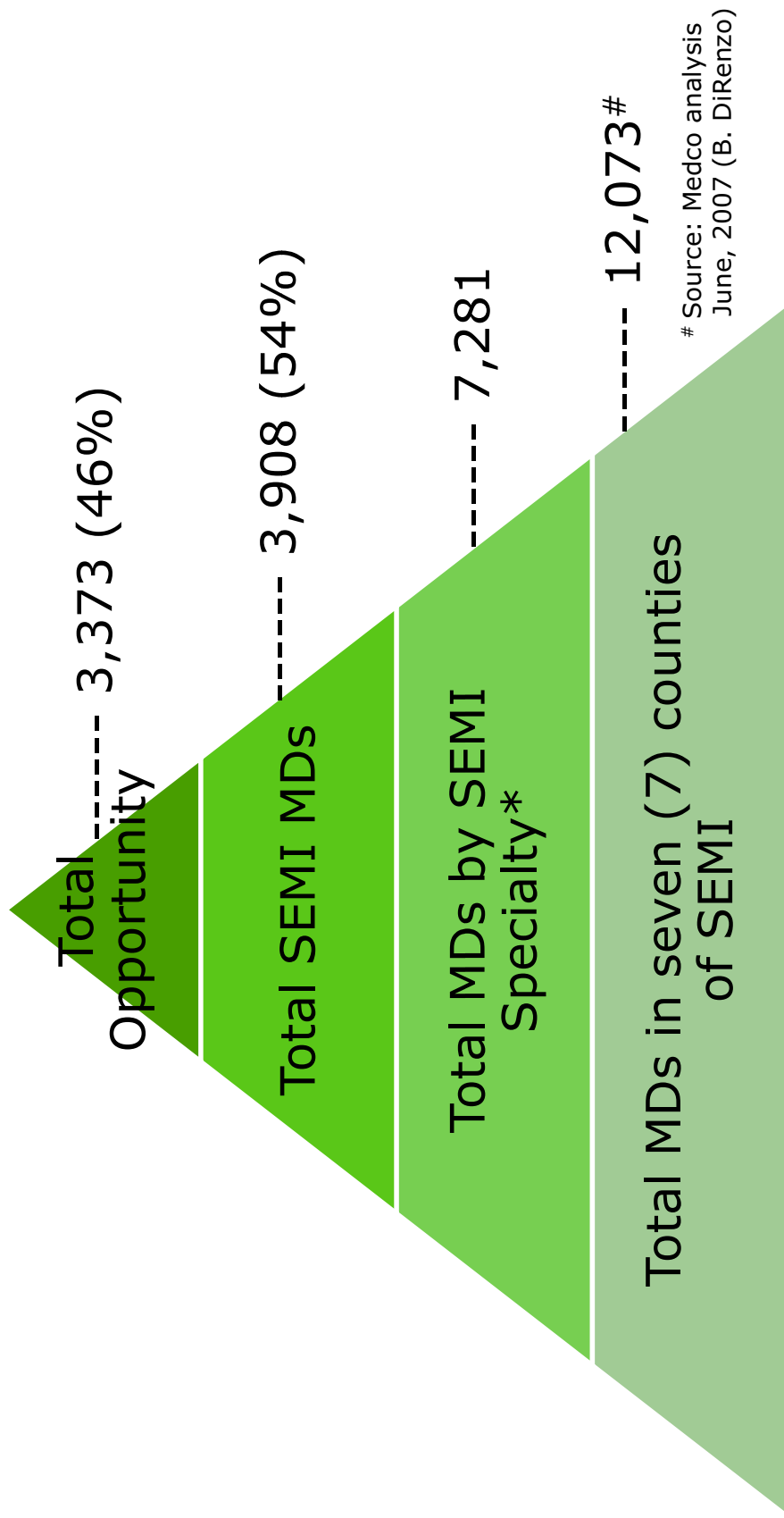
500 completed telephone surveys in 4Q2007 (221 or 44% were with doctors):

- More than 70% are highly satisfied with their current ePrescribing method
 - Only 6% of physicians are highly dissatisfied
 - Overall satisfaction is similar across vendors
- For 9 of 10 users, their ePrescribing system either met (45%) or exceeded (45%) expectations

Other key findings:

- Nearly 70% highly agree that ePrescribing improves quality of care
- Almost 75% highly agree that ePrescribing improves patient safety
- Approximately 70% were very satisfied with the ease of identifying drug-related interactions
- More than 60% of physicians report at least one incident of changing a prescription in response to a safety alert
- 71 percent highly agree that a patient's transaction at the pharmacy is faster and easier
- More than 50% highly agree that ePrescribing saves clinicians time and increases productivity, yet a minority (16%) highly disagree
- More than 70% have seen a reduction in phone calls / faxes to / from pharmacies since using the e-prescribing system.

Number of Targeted Physicians in SEMI

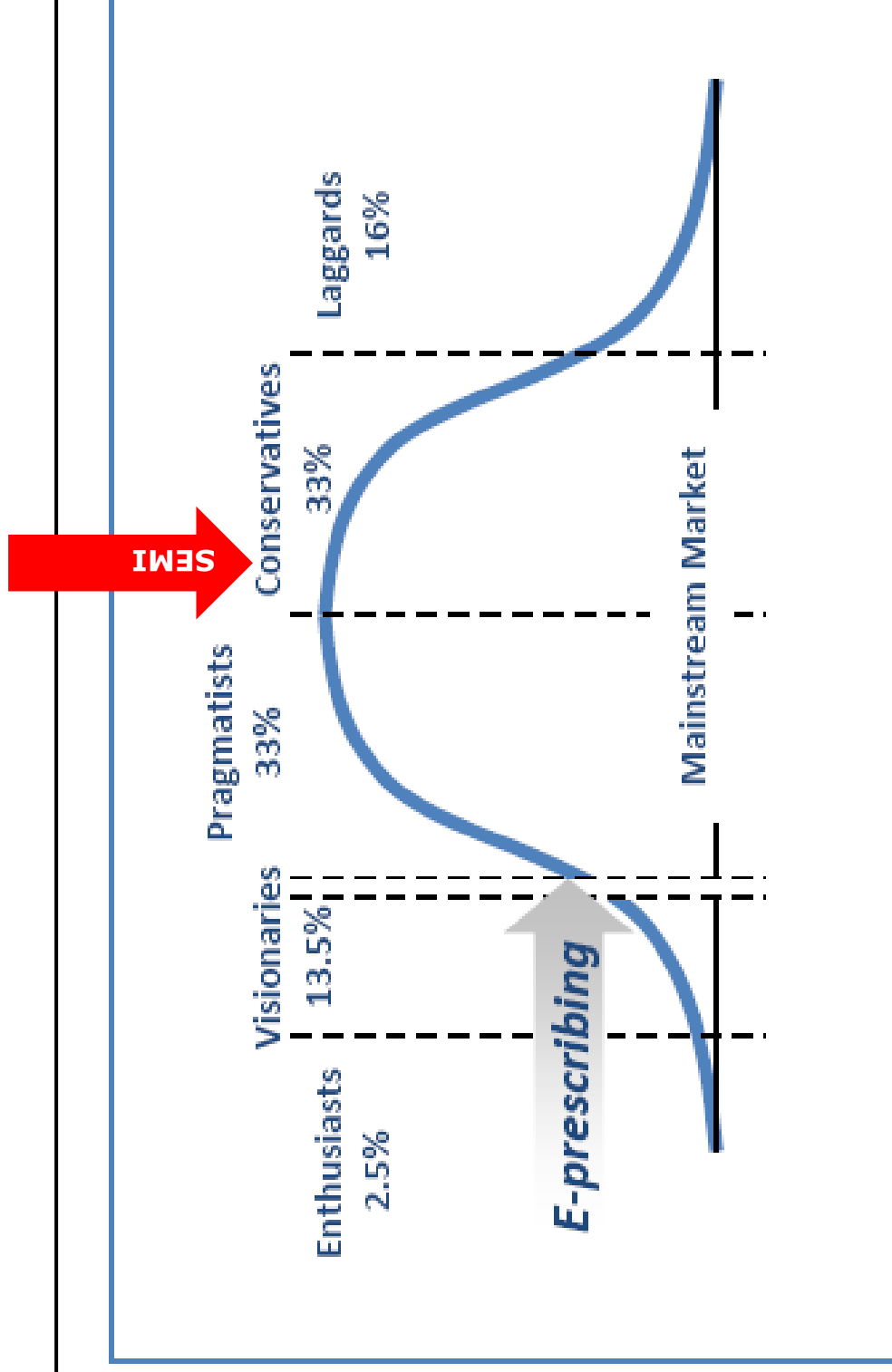


*primary care, family practice, OBGYN, internal medicine, pediatrics, cardiology, endocrinology, endocrinology & metabolism, pediatric endocrinology, pulmonology, pediatric pulmonology, allergy/immunology, pediatric allergy, cardiovascular disease, cardiology, pediatric cardiology, hematology, hematology/oncology, medical oncology, and oncology

Property of the Southeast Michigan e-Prescribing Initiative
This Information is Confidential and All Rights are Reserved



SEMI vs Technology Adoption Curve



Q&A



The End

Tony Schueth
Project Manager
Southeastern Michigan ePrescribing Initiative
Email: tonys@pocp.com
954-346-1999



Property of the Southeast Michigan e-Prescribing Initiative
This Information is Confidential and All Rights are Reserved