

# What Does It Take?

## Lessons Learned from Successful (and Unsuccessful) ePrescribing Initiatives

### **Lessons Learned in Implementing Electronic Prescribing: The Payer Perspective**

TEPR + 2009  
Wednesday, February 3, 2009  
3:00 - 3:30pm

**David S. Green**  
Senior Consultant



**POINT-OF-CARE PARTNERS**  
eHealth Management & Marketing Consultants

# Outline

---

- ePrescribing Overview
- Initiative Survey Results
- Initiative Example: SEMI



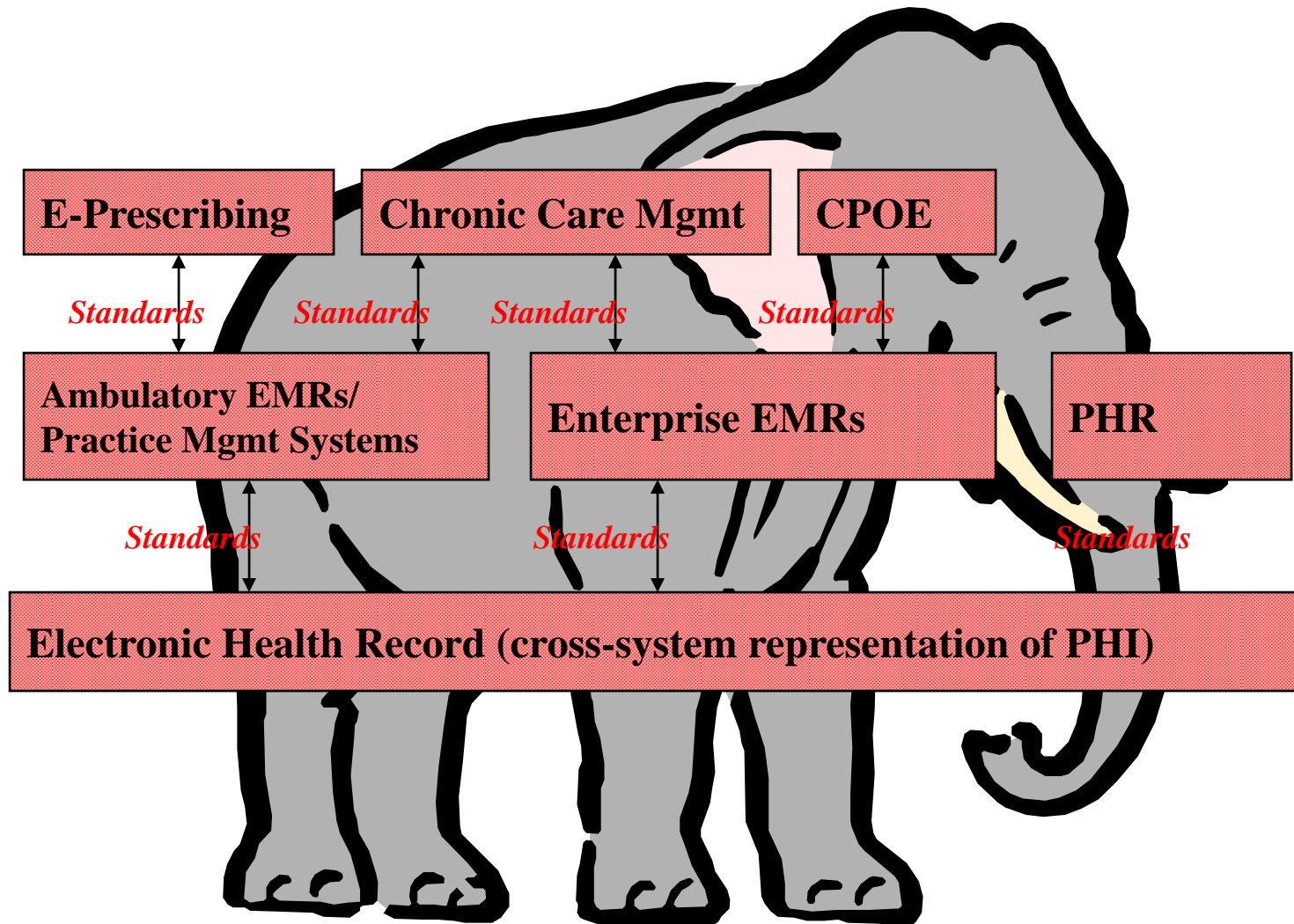
# ePrescribing Overview



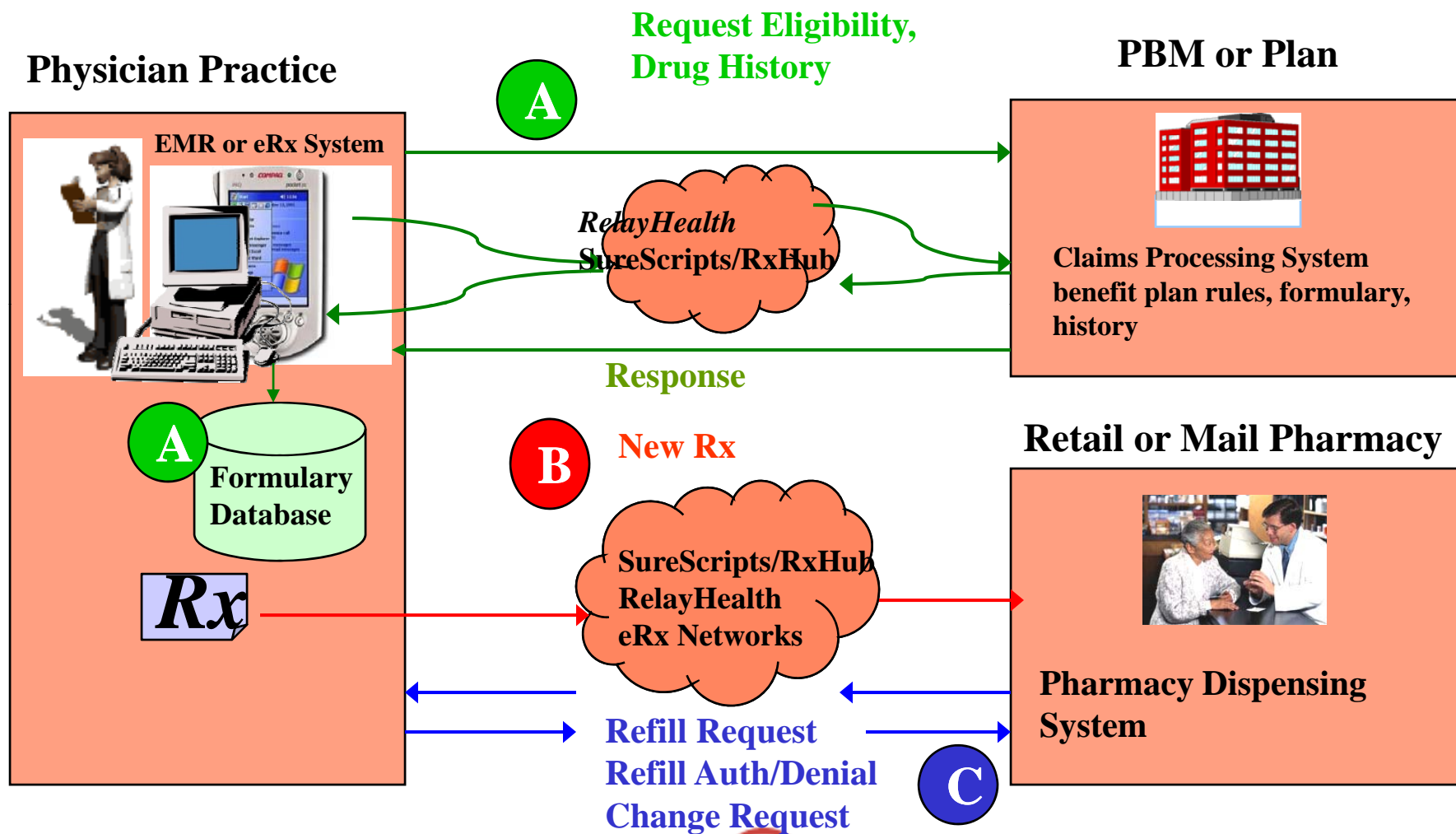
**POINT-OF-CARE PARTNERS**

eHealth Management & Marketing Consultants

# Health Information Technology



# ePrescribing Infrastructure



# ePrescribing by the numbers...

---

**7%** MDs prescribing electronically

(Ayers, McHenry & Associates on behalf of PCMA, 2007)

**41,000** Pharmacies ePrescribing

(SureScripts *National Progress Report on ePrescribing*, December 2007)

**80 million** Prescriptions sent online to Pharmacies

(SureScripts, November 2008)

**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)

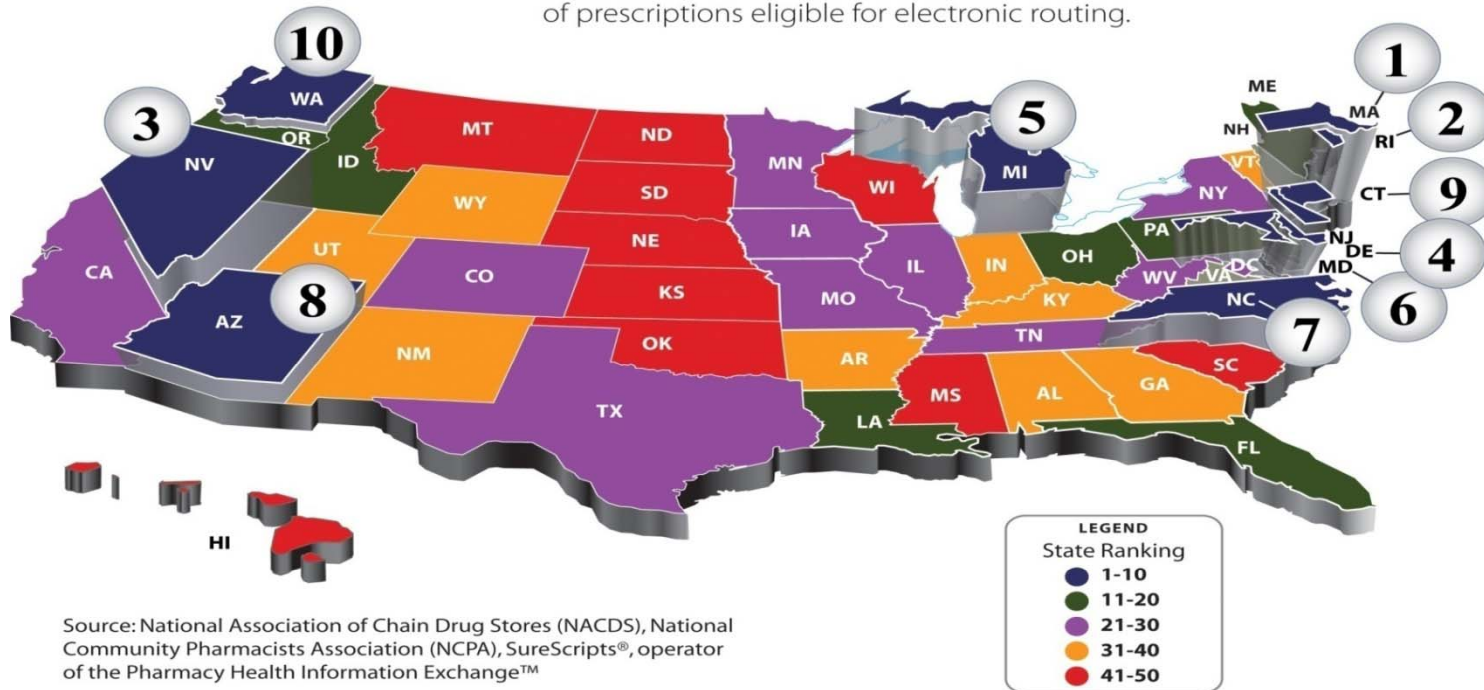


# E-Prescribing Rankings



## Status of Electronic Prescribing Across the U.S.

States are ranked based on the number of prescriptions routed electronically in 2007 as a percentage of the total number of prescriptions eligible for electronic routing.



# Partial List of Historical 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)
- ▶ Availity (Florida) (2008)
- ▶ Arkansas Medicaid(2008)
- ▶ New Hampshire – Wellpoint/NEPSI (2007)
- ▶ Wellpoint-GM – Ohio (2007)
- ▶ TennCare (2007)
- ▶ Illinois E-Rx Collaborative (2007)
- ▶ ePrescribe Florida (2007)
- ▶ North Carolina (2006)
- ▶ Aetna – New Jersey (2005)
- ▶ Highmark (2005)
- ▶ IBC (2005)
- ▶ SEMI - GM, Ford, Chrysler, Medco, BCBSMI  
CVS Caremark, HAP (2005)

- *Medicaids are beginning to take lead in many states*
- *Multiple stakeholder involvement the norm – two routes: 1) collaborations, 2) keep in the loop*
- *Success impacted by leadership, strong project management, incentives and implementation support*

© Point-of-Care Partners, LLC

**POINT-OF-CARE PARTNERS**



eHealth Management & Marketing Consultants

# Initiative Survey



**POINT-OF-CARE PARTNERS**

eHealth Management & Marketing Consultants

# Survey Objectives

---

- ▶ **Interview executives and project managers of ePrescribing Initiatives in different markets**
  - ▶ Telephone surveys with many open-ended questions conducted by Point-of-Care Partners
    - In some cases, different stakeholders involved in the same initiative were interviewed to obtain multiple perspectives.
- ▶ Determine best practices, lessons learned and critical success factors -- what is/is not working
- ▶ Share aggregate results to help impact Initiatives going forward.



# eRx Initiative Survey Participants

---

- ▶ Twenty-five (25) executives and project managers from twenty (20) initiatives, representing the following stakeholders:
  - Eleven (11) Payers/Health Plans
  - Seven (7) Community Health Institutes or Networks/Exchanges
  - Two (2) Vendors
  - Two (2) Government/Public Agencies
  - Two (2) IT/fiscal advisors involved in the initiatives
  - One (1) Employer



# eRx Initiative Survey Participants

---

The participants were surveyed regarding Initiatives taking place in the following States:

- ▶ Florida
- ▶ North Carolina\*
- ▶ Massachusetts\*
- ▶ Illinois
- ▶ Michigan\*
- Colorado
- California
- Washington\*
- New York
- Delaware\*
- Rhode Island\*
- New Hampshire
- Ohio
- New Jersey
- New Mexico

\*Ranked among the top 10 states that received SafeRx Awards from SureScripts in 2007



# When were the initiatives launched?

---

.

2003 – (2)      2006 – (5)

2004 – (5)      2007 – (4)

2005 – (3)      2008 – (1)

- ▶ Two of the initiatives from 2006 have not yet launched
- ▶ The 2008 Initiative had a November implementation date

In many cases, the time from initial planning until implementation is one year or more.



# What were the goals for the initiative(s)?

---

- ▶ Quality and Safety
- ▶ Overall efficiencies and cost savings
- ▶ First step in getting physicians moving towards an EHR
- ▶ Response to need within the community/spearhead process
- ▶ Get formulary and drug lists to the physicians at point of care
- ▶ Manage diversion issues
- ▶ Profit
- ▶ Understand the ROI

Improvement in quality and safety and increasing efficiencies and decreasing overall costs drive the majority of eRx initiatives surveyed.



# Who is funding the initiatives?

---

Most of the Initiatives had several sources of funding, but the top two were:

- ▶ Healthplans
- ▶ Grants—state, federal or both
- ▶ Additional sources included local organizations and/or sponsors within a community, employers.

Not surprisingly, if the Healthplan is a stakeholder in the Initiative, it is usually a key source of the funding.



# What is the governance structure?

---

Of the 20 initiatives who responded to this question:

- ▶ Eight (8) reported being governed by an **executive committee of the primary stakeholder**
- ▶ Seven (7) reported governance by an executive or steering **committee of stakeholders**
- ▶ Five (5) reported **no formal governance structure** but regular meetings with involved stakeholders

Regardless of the governance structure, what appears most important to the Initiatives is commitment from all stakeholders and regular working group meetings to oversee administration, vendor, implementation and utilization issues.



# Are they providing financial incentives?

---

- ▶ **Ten (10)** initiatives provide financial incentives to MDs.
  - ▶ Terms vary but most require minimum utilization thresholds.
  - ▶ In markets where there are existing P4P programs, providers may be eligible because of their participation in the ePrescribing Initiative.
    - Of the Initiatives that do not provide financial incentives at this time, several are considering adding it in the near future
    - Almost all Initiatives provide hardware/software licenses and/or other start-up fees, which they see as a form of financial incentives.
      - ▶ In one Initiative, some malpractice insurers are giving discounts to participating physicians.

Most respondents view financial incentives tied to utilization as the necessary next step to drive long term utilization.



# How is the Initiative Structured in terms of vendors?

---

- ▶ Six (6) Initiatives have a single vendor
- ▶ Nine (9) Initiatives are open to any certified eRx and EMR vendors
- ▶ Five (5) Initiatives have a limited set of vendors
- ▶ Most require minimum functionality

## Comments

- "Had issues with one vendor. Better to be neutral."
- "In the first phase, very loose and open to all-didn't work due to varying degrees of vendor capabilities. Second phase we established criteria (hand-held, portal based, etc) and added more vendors who met criteria. Phase III- considering just establishing criteria and not identifying any vendors."
- "Initially we were afraid of additional administrative costs with multiple vendors."
- "Cost—we wanted a good deal with a vendor."
- "Wanted to be open so all offices could participate."



# What are the lessons learned relative to vendors?

---

The top three lessons:

- **Support-** Vendors must provide dedicated on-site office support. They need a robust service model
- **Delivery-** Vendors should deliver what is promised and make sure that what is promised has actually been implemented in diverse environments and it works.
- **Workflow-** Vendors need to understand the physician's workflow and stay innovative.

## Comments

- “Everything costs more and takes longer by a factor of 2 .”
- **“Vendors who did not have “feet on the street” saw lower adoption rates.**
- **”Deployment to a physician does not mean use.”**
- “Have a single point of contact who always knows what is going on.”

# What are the top results/values you expect and have these been met?

---

- ▶ **Fourteen (14) respondents** whose goals included pt safety, increased generics/formulary compliance and the associated cost savings, report their expectations **have been met or somewhat met**. Many report **clear-cut, measurable savings**.
- ▶ Four (4) participants, primarily in rural areas, could not overcome technical and other barriers to yet see results
- ▶ Three (3) Participants felt it was too early to say.

## Comments

- “Yes at least as regards all the physicians who are actually using it .”
- “We won’t be satisfied until it is all electronic.”
- “Yes but I want it faster..”

Several respondents pointed out that metrics are needed to measure the ROI on improved patient safety. “ We see the alerts and physician responses to them so we know we are saving lives. We know that translates to cost-savings, but we can’t quantify it .”



## Lessons Learned: If you could do it all over again, what would you have done differently?

A dedicated field source to go to each office.	Pinning stakeholders to stronger commitments to their time lines
More emphasis on out-reach and promotion to the physicians. If you build it, they won't come!!	Get volume based incentives into the program
Speed development of transaction and data standards.	Partnered with more vendors.
Chose more than one vendor, increase the stakeholders, get more employers involved.	Ongoing service model beyond deployment.
Make sure you gave good connectivity before getting physicians in the rural areas involved.	Physician incentives up front and on-going service model.
Manage physicians better since they wait too long to report a problem and there are very few chances to recover when they do.	Better reporting database to evaluate value more easily.
Better defined criteria for vendors	Set more short-term, attainable goals.
Created a 501c to deal with the funding.	Better emphasize value for the physicians.



# Conclusions/Recommendations

---

- A successful Initiative should consider the following:
  - Professional, dedicated project management is a **must**
    - Experience in ePrescribing & neutral orientation preferred
    - Must manage vendors, data, physician organizations & project
  - Incentives are crucial
    - Compliment existing health plan programs
    - Enable physicians to capture MIPPA incentives
    - Provide for 'most important' physicians
  - Physician utilization data base is important
    - Allows ROI analysis
    - Track incentive payments
    - Managed by project manager



# Conclusions/Recommendations (Cont'd)

---

- ▶ A successful initiative should consider the following:
  - ▶ Vendors & Physician Organizations
    - Must have some acceptable minimum functionality & reporting
    - Must be managed so that they are appropriately focused
    - Need to meet regularly (monthly) to address implementation issues, best practices and utilization
  - ▶ Implementation Support/Physician Advocate
    - “For every \$5 a sponsor spends on incentives, they should consider spending \$1 on implementation,” Matt Walsh, HAP (SEMI)
    - Vendors, consultants, or others act as process improvement agents
      - ▶ With vendors, **buyer beware** – some vendors’ business models, incentives are not aligned with utilization
    - Model varies by market & initiative
  - ▶ Communication to community stakeholders
    - Must keep in the loop with well conceived PR & marketing plan
    - Not decision making (Steering Committee)



# 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, 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 info between MDs & PBMs



### SureScripts

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



### Point-of-Care Partners

- Provides project management and support



# Southeast Michigan ePrescribing Initiative (SEMI) Incentive Program



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

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

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

Phase 2-3 targeted IPAs and POs, who were receiving PGIP P4P incentives from BCBSMI

- Twelve (12) groups in Detroit metro-area
- 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



# SE Michigan ePrescribing Initiative

*Evolution Leading to Unique Vendor Mix*

Phase One (2005-06)

Phase Two & Three (2006-08)

Infrastructure

Adoption

Utilization

## Vendors

Allscripts:

Touchworks

Touchscript

A4/Healthmat.

Centricity

DrFirst

eMaxx

ERX

HealthRamp

KeyMed

MedPlus

Misys

NextGen

NewCrop

ProxyMed

RelayHealth

RxNT

WebMD

## Criteria

- Customers in SE MI
- RxHub certification for eligibility, MedHx, formulary, mail order
- SureScripts certification for new Rx, refill
- Commitment to providing reporting
- Aggressive UM
- Active account mgr

## Vendors

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



# Characteristics of Phase 4

*Even in tough economic times, program continues*

---

**Timeframe:** Enrollment through June 2009; incentives through September, 2009

**Incentives:** Same \$1,000 incentive, payable for higher levels of utilization and in shorter timeframes.

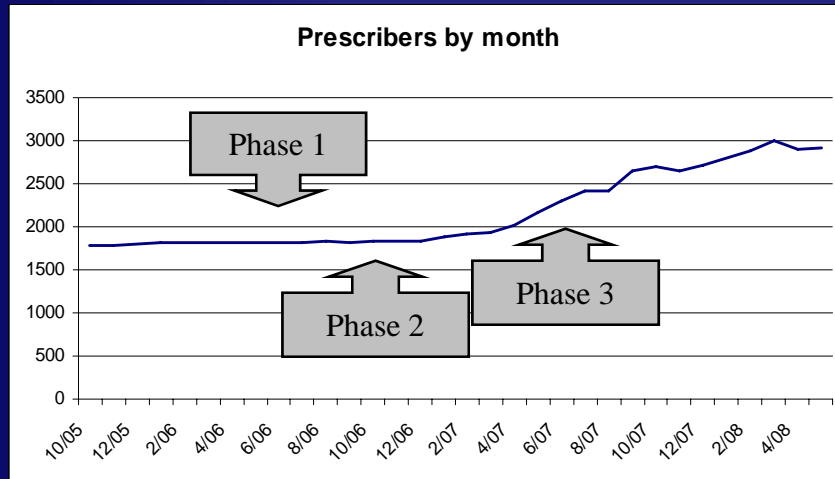
**Vendors:** Open to any meeting MIPPA and other requirements unique to SEMI (e.g. mail order live)

**Physicians:** Continuing to leverage IPAs involved in BCBSMI P4P program (PGIP) but making open to individual MDs in the Detroit-metro area



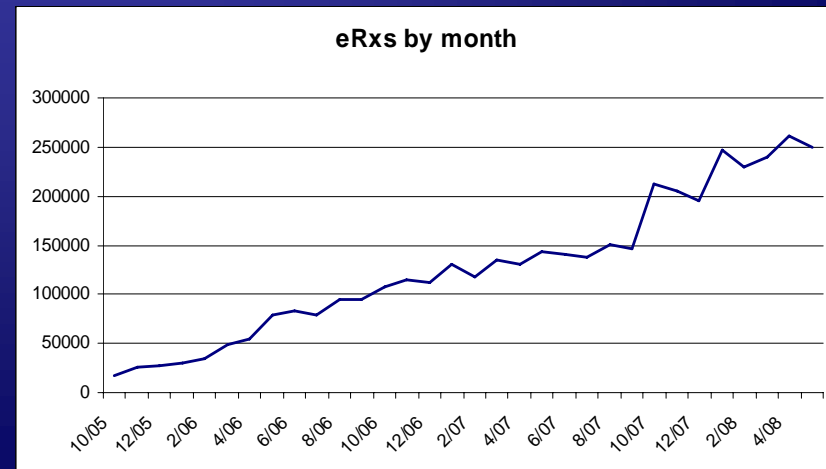
# SEMI: An Unqualified Success Story

## *Growing Physicians, eRx Volume*



After a flattening of enrollment, Phase 2 spurred growth and Phase 3 accelerated it

eRxs have steadily increased, with additional increases observed as Phase 2 and 3 physicians started prescribing



# SEMI ePrescribing Initiative

*By the Numbers – January 2005 to November 2008*

---

**3,375** Physicians enrolled in SEMI

**10.4 million** ePrescriptions Written on Certified Vendor Systems  
(DrFirst, NextGen, Relay Health, Quest/MedPlus, RxNT)

---

**2.1 million** Drug-to-Drug alerts generated  
(high, moderate severity level)

**790,440** Changes as a result of Drug-to-Drug alerts

**37%** Percent of prescriptions changed as a result of d-d alerts

---

**198,263** Drug-to-Allergy alerts generated

**75,807** Changes as a result of Drug-to-Allergy alerts

**38%** Percent of prescriptions changed as a result of d-a alerts

---

**223,948** Dispensed medication histories downloaded

© Point-of-Care Partners, LLC



# ePrescribing User Assessment Study

## *Objective: Current Understanding of User Experiences*

There were 500 completed surveys:

- 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 eRx 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 id'ing 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.
- About 25% highly agree that ePrescribing will save patients' money and reduce a practice's costs, while 20% highly disagree  
*but*
- Over 60% of staff and 40% of physicians are much more likely to prescribe a generic or plan-preferred drug.



# Financial Savings

---

Overall Summary Results		
SEMI Prescribers vs. Control Group Prescribers		
Generic Dispensing Rate (GDR)	Mail Dispensing Rate (%Mail)	Cost per Mail Claim Difference
+ 2.6 % points	+ 5.8 % points	- \$7.44

Total Number of Mail Rx's written by SEMI Prescribers during analysis period = 219,133

Total Mail Spend = \$32,718,061

Estimated Savings for Mail Rx's during this analysis period = **\$1,630,349** (4.75% savings)

***Estimate Retail Savings = \$2.11; Consolidated Savings \$4.78***

***Assume 82 average days Supply @Mail; 24 days @Retail***



# Thank You!

## David Green

Senior Consultant

[David.Green@pocp.com](mailto:David.Green@pocp.com)

(520) 455-5609



**POINT-OF-CARE PARTNERS**  
eHealth Management & Marketing Consultants