

ePrescribing and The Medicare Drug Improvement & Modernization Act of 2003

NCPDP Educational Program

“Beyond Co-Pays & Formularies: The Role of PBMs and Payors in Improving Healthcare Outcomes”

National Council for Prescription Drug Programs
November 8, 2005

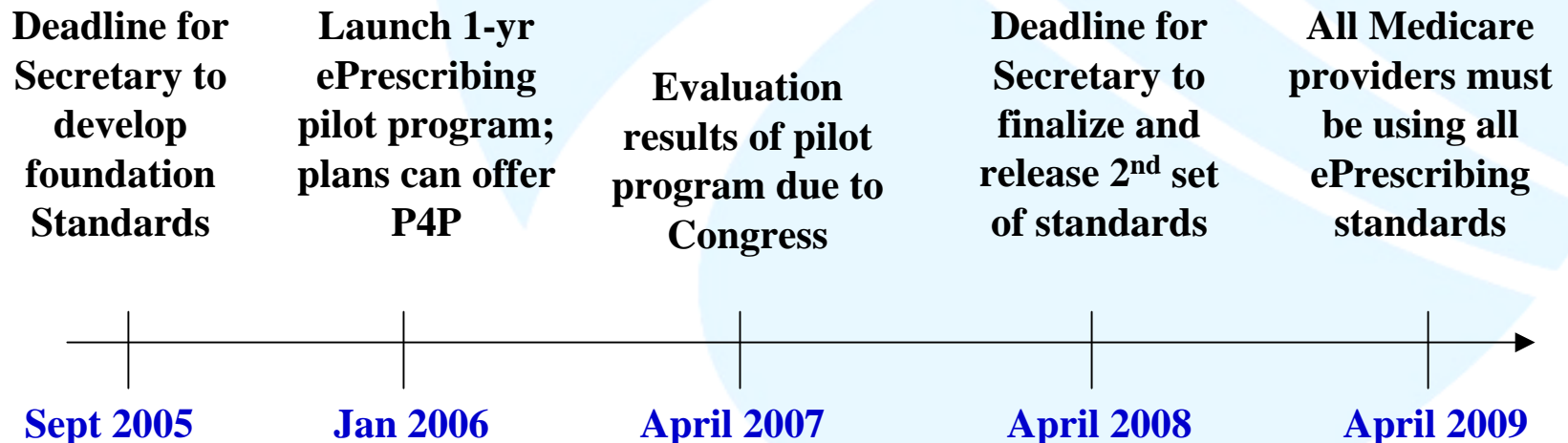
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Medicare Part D & ePrescribing

- Establishes a real-time ePrescribing program to be used by prescribers, plans, pharmacies & 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

Medicare Part D & ePrescribing

- **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



National Committee on Vital and Health Statistics (NCHVS)

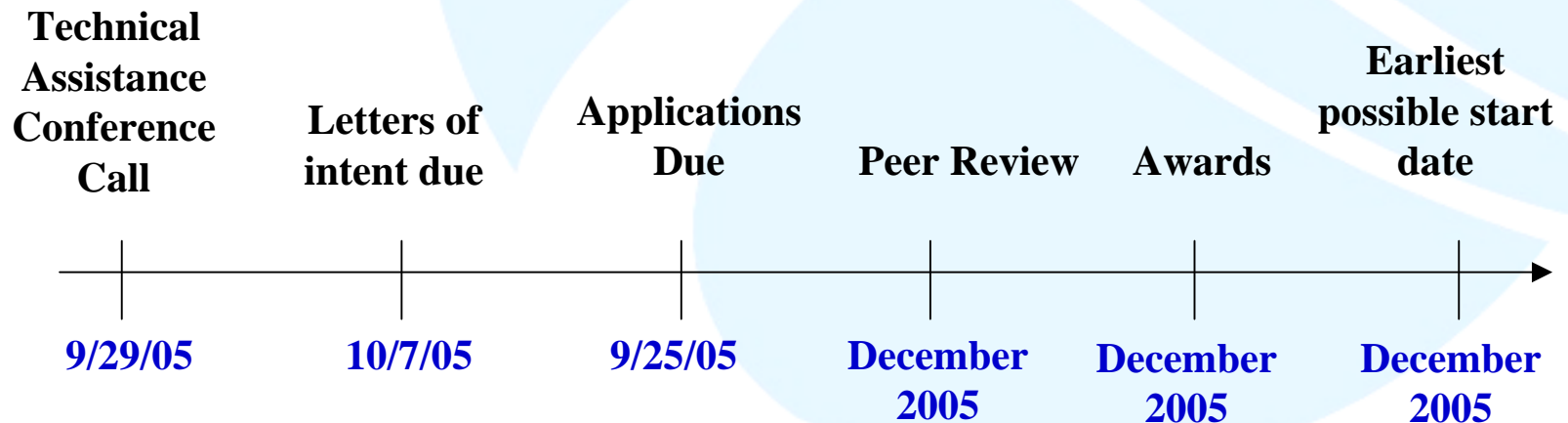
- An advisory board for the Health & Human Services (HHS)
- Charged with evaluating and recommending ePrescribing standards to Centers for Medicare & Medicaid (CMS)
- Heard testimony from 30+ ePrescribing experts in 2004
 - Practicing Physicians, Pharmacists
 - Hospitals, Pharmacies
 - Pharmacy Benefit Managers
 - State Boards of Pharmacy, Medical Boards
 - ePrescribing Experts
 - Appropriate Federal Agencies
- Sent two letters to the Secretary of HHS

CMS eRx Final Rules

- Released November 2; to be pub in *Federal Register*
- Foundation standards:
 - NCPDP SCRIPT (new Rx, renewals, change, cancel & admin. functions)
 - X12N 270/271 Eligibility (between Provider & MA-PD, PDP)
 - NCPDP Telecom (eligibility between pharmacy & MA-PD, PDP)
- Other components:
 - Created an exception for
 - eRx orders within the enterprise; however, SCRIPT must be used if the prescription goes to a community or mail pharmacy
 - Computer-generated fax prescriptions (SCRIPT not required)
 - Entities where a Rx required by law to go thru non-prescribing entity to pharmacy
 - Supercedes state pharmacy rules that are counter to final rules
- Must be used for ePrescribing as of January 1, 2006

CMS eRx Pilots

- To be conducted in CY 2006
- Awards:
 - \$6M available; no more than 9 funded; no award > \$2M
 - Competitive process
 - Cooperative agreements (coalitions)
 - Proposals being evaluated by peer group



CMS eRx Pilots (cont.)

- Test the interoperability of Foundation and Initial Standards:

Foundation Standards

- SCRIPT (new Rx, renewal, change, cancel, admin functions)
- ASC X12N 270/271
- NCPDP Telecommunication

Initial Standards

- Medication History
- Formulary & Benefits
- Structured & Codified SIG
- Prior Authorization (X12N 278)
- RxNorm (new Rx, renewal, cancel)
- SCRIPT (fill status)

CMS eRx Pilots (cont.)

- Project “must haves”:
 - At least 25% of population must be Medicare-eligible
 - Testing of digital transmission (ie EDI vs fax)
- Application requirements:
 - Nature of prescriber pool
 - Methods of testing
 - Baseline prescriptions and phone calls per month
 - Proposed data collection and method of analysis

New ePrescribing NPRMs

- **Exception to the Physician Self-Referral Prohibition (Stark) Law**
 - CMS is proposing an exception permitting PDPs, MAs, physicians, hospitals and group practices to give physicians eRx and EHR technology
 - Technology must be certified
- **Anti-kickback Safe Harbor**
 - OIG is proposing language that would protect arrangements where hospitals, PDPs, MAs, physicians and group practices would provide hardware, software and training services
 - Systems must meet ePrescribing standards and be interoperable with other ePrescribing systems

Remaining MMA “To Dos”

- **Discretionary grants to physicians**
 - CMS said in Final Rule that it would be ‘07
- **Pay-for-performance for ePrescribing**
 - Lots of P4P demonstration projects
 - CMS announced a relationship with Bridges to Excellence
- **Additional rules**
 - New eRx rules will come out of the pilots
- **Additional pilots?**
 - Hinted at in Final Rule

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