Electronic Prescribing: How Do We Get to the Tipping Point?
Making the Case For Electronic Prescribing
Electronic Prescribing

Prescribe → Transmit

Traditional view
Medication Management Process

Payer Messaging Lens

- Formulary alerts
- Patient safety alerts
- Medication adherence alerts
- Gaps in care alerts
- Condition & therapy education
- Medication adherence education
- Mail order instructions
- Care reminders

Communication at the point of care
Importance of E-Prescribing

- It is safer
- It saves time and money
  - Pharmacies
  - Plans
  - Physician practices
  - Patients
- It improves the quality of healthcare
Lowers health plan drug costs

Return

On Investment

- Increases prescribing of generic medications
- Increases prescribing of lower cost alternative medications
- Decreases amount of inappropriate medication therapy
  - Prior authorizations
  - Step therapies
- Increases use of mail order for chronic medications

+1% generic utilization = $4 - $12 PMPY*

*Industry estimates by payer e-health consulting firm.
Lowers health plan medical costs

- Reduced ADEs
  - More accurate drug dosing
  - Increased legibility
  - Drug interaction checking
- Patient adherence
  - Increased first fill percentage
  - Increased persistence through availability of medication history
  - Prescribing of affordable, on formulary medications

+$1 drug spend = $4 - $7 lower medical costs*

*Medco, 2005 (study on increased adherence for diabetes, hypertension and other conditions).
Increases provider and member satisfaction

• **Provider satisfaction**
  - Practice efficiencies including less phone/fax through automated renewals
  - Availability of medication history information across providers
  - Availability of electronic prescription records outside the practice
  - Improved quality of care

• **Member satisfaction**
  - Less wait in the pharmacy
  - Perception of more modern care

Reduces staff time by hours per day in smaller practices*

*SureScripts-RxHub
Electronic Prescribing Across Stakeholder Environments
Physician adoption

Large and smaller practices are different markets

12%
Use EMR w/o ERx

17%
Use EMR With ERx

5%
Use ERx Stand-alone

66%
Not Automated

Physician utilization

**ERx within an EMR**

- Commitment
- Practice leadership
- Training
- Workflow
- Total system support

Do we have the tools to succeed?
Community pharmacies

- Over 40,000 stores active
- 80% are chains
- Sharing Rx history
  - NCPDP with physicians
  - Google / Microsoft PHRs
- In-store clinics (CCR)
- Pharmacist care mgmt
Government: Medicare Incentives

Will payers continue to invest or move to the sidelines?
Consumer Experience

• Call pharmacies for refills
• Refill reminders
• Prescription receipt
  – Administrative messages
  – Care messages
• Focus on adherence
• Physician-patient relationship

Safety, Convenience, Outcomes
Pharmaceutical Manufacturers

- Formulary positioning
- Medication adherence
- First fill alerting
- Closed loop prior auth
- Communications links
  - Market surveys
  - Drug information
- Practice efficiency

Focus on patient education and medication adherence
Electronic Prescribing: The Health Plan Experience
Successful Models

- MA ERx Collab.
- SEMI
- ePrescribe FL
- CareFirst
- Horizon
- BCBSNC
- Capital
- BCBSAL
- Sierra
- BCBSLA
- BCBSIL
- Medicaid FL
- BCBSRI
- Aetna

- Free or near free to high prescribers
- Activation and monthly services fees to solution providers
Top Standalone Suppliers

- Allscripts
- DrFirst
- iScribe
- MedPlus
- Prematics
- RelayHealth
- RxNT
- ZixCorp

Business models remain a challenge
Part of a payer toolset

- Physician EMR
- Member PHR
- Disease management
- Pay for performance
- Patient-centered medical home

Supports clinical messaging to providers and members
Multi-payer projects

- First movers
- Competitors
- Nationals
- Niches
- CMS

Free riders?

Business Model?

Collaboration upfront or joining mid-process
Collaborative models

Ownership?  Breadth of Coalition?  Org structure?
Open Discussion: The Way Forward
Force Field Analysis

Ideal State

Obstacles and Challenges

Driving Forces

The Payer Environment for Electronic Prescribing
The Payer Environment for Electronic Prescribing
From the payer point of view

Key Questions for the Group

1. What are our primary obstacles to progress in e-prescribing?
2. What can each organization do to move e-prescribing ahead?
3. What help and support do we need from others?
4. What are our immediate priorities to work on together?
Thank you.

Michael Lake
President
Circle Square Inc.
San Francisco, CA
www.michaellake.com
michael@michaellake.com