

CMS ePrescribing Activities

Countdown to MMA: New &
Unfinished Business 

Maria A. Friedman, DBA

Senior Advisor
Office of eHealth Standards and Services
Centers for Medicare and Medicaid Services

CMS Background

- Administers Medicare and in cooperation with the states, Medicaid and the State Children's Health Insurance Program
- 83 million beneficiaries
 - 42 million Medicare beneficiaries
- 20% of the US budget
 - \$519 billion (63% Medicare)
- 45% of the Nation's healthcare spending (including state spending) and growing

Office of HIPAA Standards Reorganized to encompass CMS e-health portfolio

- Office of e-Health Standards and Services created May 27, 2005
- Why reorganize?
 - Growing importance of eHealth and CMS' role
 - CMS need for a central point of leadership and coordination on eHealth (internally and externally)
 - Recognition of the need to tie standards work and services together

Office of eHealth Standards and Services (OESS)- Key Functions

- Standards are still a major part of the Office
- External Standards and Services Team
 - HIPAA
 - E-prescribing
 - Liaison
 - HHS Agencies
 - Federal agencies
 - Outside organizations
- eHealth Strategy and Coordination Team
 - Developing and Implementing CMS eHealth Strategy
 - Managing CMS eHealth Portfolio
 - Building the eHealth Infrastructure
 - Serving as CMS eHealth point of expertise and promotion

MMA Overview

- Signed by President December 8, 2003
- Legislation addresses a number of areas
 - Adds Rx Benefit, beginning 2006
 - Creates drug discount card
 - Authorizes changes to Medigap
 - Establishes Health Savings Accounts
 - Includes FFS provider payment reforms
 - Establishes the Medicare Advantage program

E-prescribing under the MMA

- E-prescribing is an integral part of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA). Under Title I of the MMA, Medicare will require drug plans participating in the new prescription drug benefit to support and comply with electronic prescribing standards.
- E-prescribing is voluntary for physicians and pharmacies, but for physicians and pharmacies that choose to e-prescribe covered Part D drugs for Part D enrolled individuals, compliance with the standards will be required.
- E-prescribing will enable a physician to transmit a prescription electronically to the patient's choice of pharmacy, and will also enable physicians and pharmacies to obtain from drug plans information about the patient's eligibility and medication history.

E-prescribing Timeline

- Final Regulation on initial standards-September 2005
- Pilots begin-January 2006
- Part D goes live (including E-rx foundation standards)-January 2006
- Report to Congress on Pilots-April 2007
- Additional Standards Final Rule-April 2008

E-prescribing Regulation

- NPRM Published February 4, 2005
- Foundation Standards proposed
 - NCPDP Script Version 5.0
 - ASC X12N 270/271 Version 4010
 - NCPDP Telecommunications Standard 5.1
- Comment Period Ended April 5, 2005
- Major Issues
 - State Preemption
 - Compliance Date
 - Versioning of Standards
 - Other standards that could be foundation standards
- Final Rule to be published September 2005

E-Prescribing Pilots

- Required by MMA to test standards with inadequate industry experience
- CMS partnering with AHRQ
- RFA released in summer 2005
- Awards will be made competitively in fall 2005
- Pilots to be conducted during CY 2006

Related New Proposed Rules – Stark Exception (CMS)

- Proposes an exception to the Stark physician self-referral rules,
- Guidance on how can health plans, hospitals and medical groups can provide in-kind support for e-prescribing
- Includes hardware, software and training

Related New Proposed Rules – Safe Harbor (OIG)

- Guidance on a “safe harbor” from prosecution under the anti-kickback statute for non-monetary support for e-prescribing
- Hardware, software, training
- Prohibits payments in any form made purposefully to reward or induce the referral or generation of Federal health care program business.

Stark and Safe Harbor Citations

- Stark NPRM--Physicians' Referrals to Health Care Entities with Which They Have Financial Relationships—e-Prescribing Exceptions (Federal Register August xx, 2005)
- Safe Harbor NPRM--Medicare and State Health Care Programs; Fraud and Abuse: Safe Harbor for Certain Electronic Prescribing Arrangements under the Anti-Kickback Statute (Federal Register August xx, 2005)

E-prescribing – Other Issues

- Linking with other e-prescribing efforts
 - Electronic medical records
 - Data mining for administrative and research purposes
- Security/authentication
 - Digital and electronic signatures
- Privacy
 - Enhancing patient safety and quality of care balanced with patient rights to privacy
 - Who owns data, who has access to data, under what circumstances
 - Especially important for patients with certain conditions, such as HIV/AIDS, substance abuse, mental health diagnoses

In Closing

- Need your continuing input on issues related to e-prescribing.
- Need your help in outreach, supporting the pilots and other efforts.
- Look forward to a continuing partnership.



- Questions?



- Comments?