ePrescribing Adoption and Implications

An E-Prescribing Case Study:
Metrics to Inform Medicaid and
State Pay-For-Performance Strategies

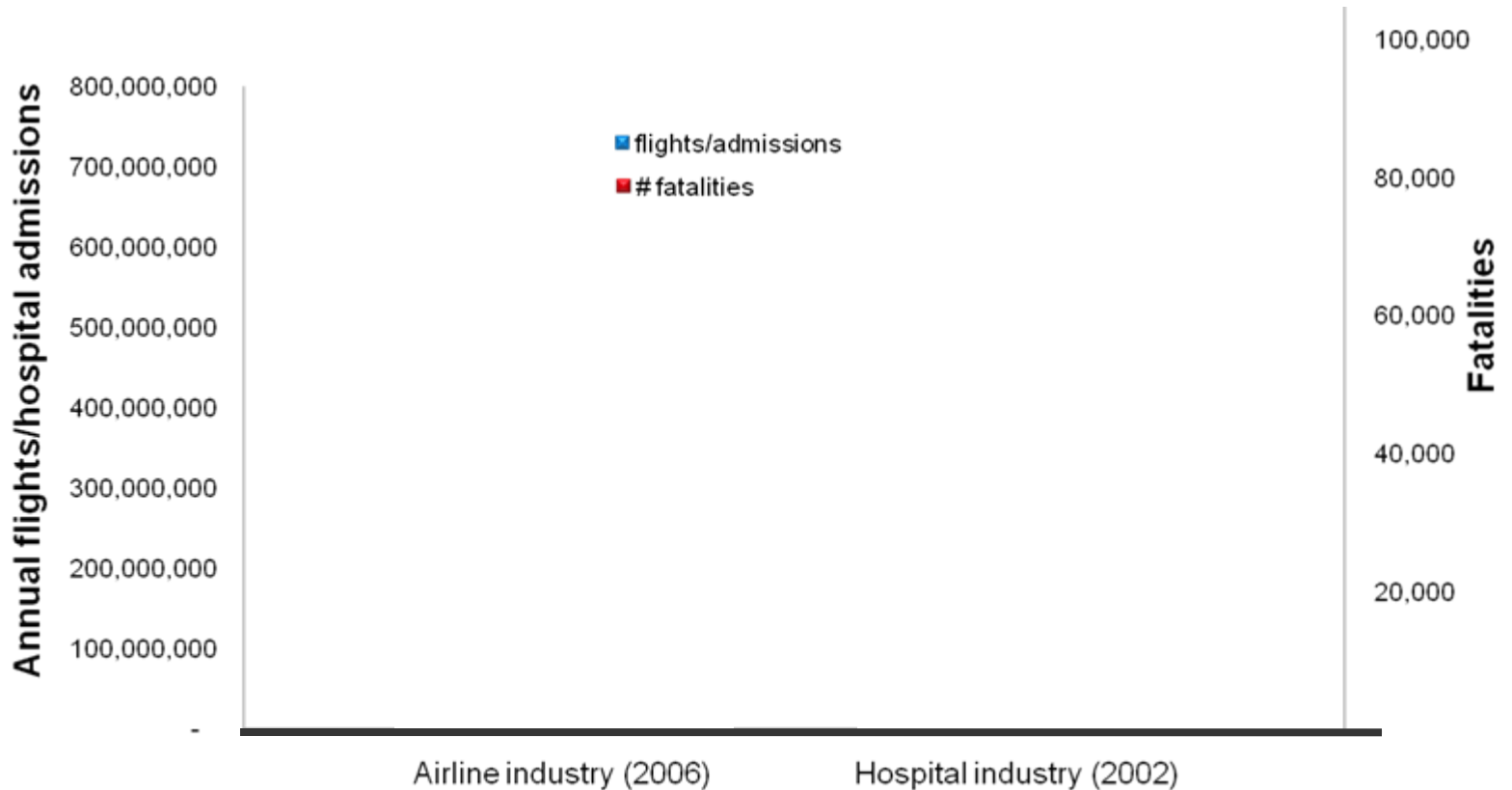Jonah Frohlich, California HealthCare Foundation

Timathie Leslie, Manatt Health Solutions

February 28, 2008

Airline and Healthcare Industries Compared

Sources: Federal Aviation Administration. Merrill CT, Elixhauser A. *Hospitalization in the United States*, 2002. Agency for Healthcare Research and Quality, 2005. HCUP Fact Book No. 6. AHRQ Publication No. 05-0056. Institute of Medicine, *To Err is Human*, National Academy of Sciences 1999.

Electronic Prescribing

(aka ePrescribing or eRx):

> Computer-based support for the creation, transmission, dispensing, and monitoring of pharmaceutical therapies

- Potential Benefits:
  - Significantly reduce medication errors including: dispensing the wrong drug, ordering drugs that may interact with other drugs patients are taking, or cause allergic reactions.

California

Economy Comparison (Trillions – 2006)

		$-	$2	$4	$6	$8	$10	$12	$14
1	United States								
2	China								
3	Japan								
4	India								
5	Germany								
6	United Kingdom								
7	France								
8	Italy								
9	Russia								
10	California								

How Are They Different?

- Wal-Mart knows when a 6 oz. can of low-sodium Campbell's tomato soup is sold in Fresno store #1815; how much the customer paid for it; how many more they have in stock; and can instantaneously order more to replace it

- California can't accurately account for the number of people who die or are sickened from a prescribing error:

  o There is no reporting or detection system

  o There are no incentives (or penalties) associated with good (or bad) prescribing practices

How Is This for Efficiency?

- Cost of dispensing a drug for a Medi-Cal beneficiary[1]:

  o $13.18 per prescription

- Communication between pharmacies and physician offices account for[2]:

  o 25% of pharmacists' time

  o 20% of the workload of physician-office staff

- Meanwhile over at Wal-Mart:

  o Generics drugs are $4

Sources: [1]Grant Thornton, LLP, *National Study to Determine the Cost of Dispensing Prescriptions in Community Retail Pharmacies*, January 2007. [2]Jane Sarasohn-Kahn & Matthew Holt, *The Prescription Infrastructure: Are We Ready for ePrescribing?* California HealthCare Foundation, January 2006.
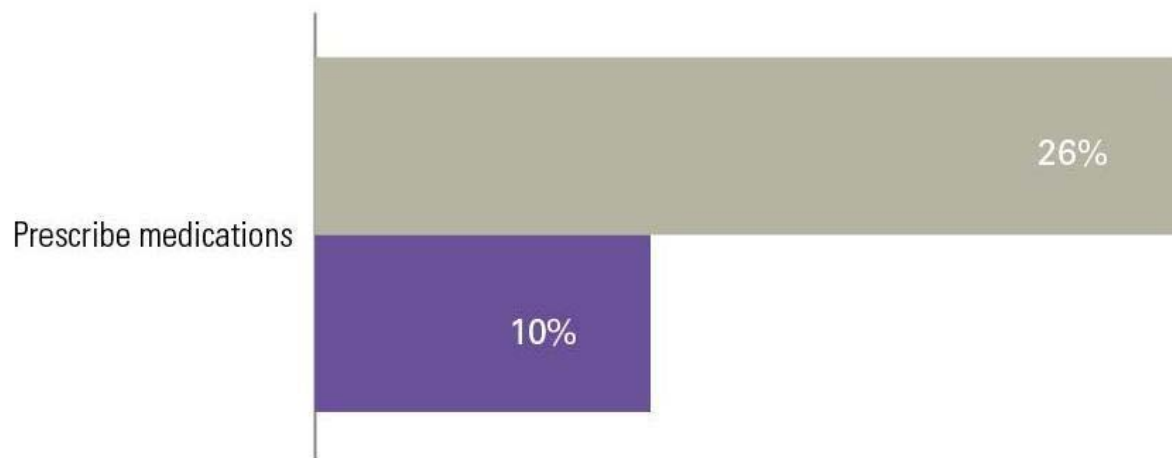
Quality and Safety

prescriptions/year and adverse events | Vehicle miles travelled and injuries

Physician Use of Electronic Prescribing,
California, 2007

- Routinely
- Occasionally

Prescribe medications

26%

10%

Source: *Health Perspectives in California. 2007 Survey of Primary Care Physicians.* Harris Interactive. June 2007.
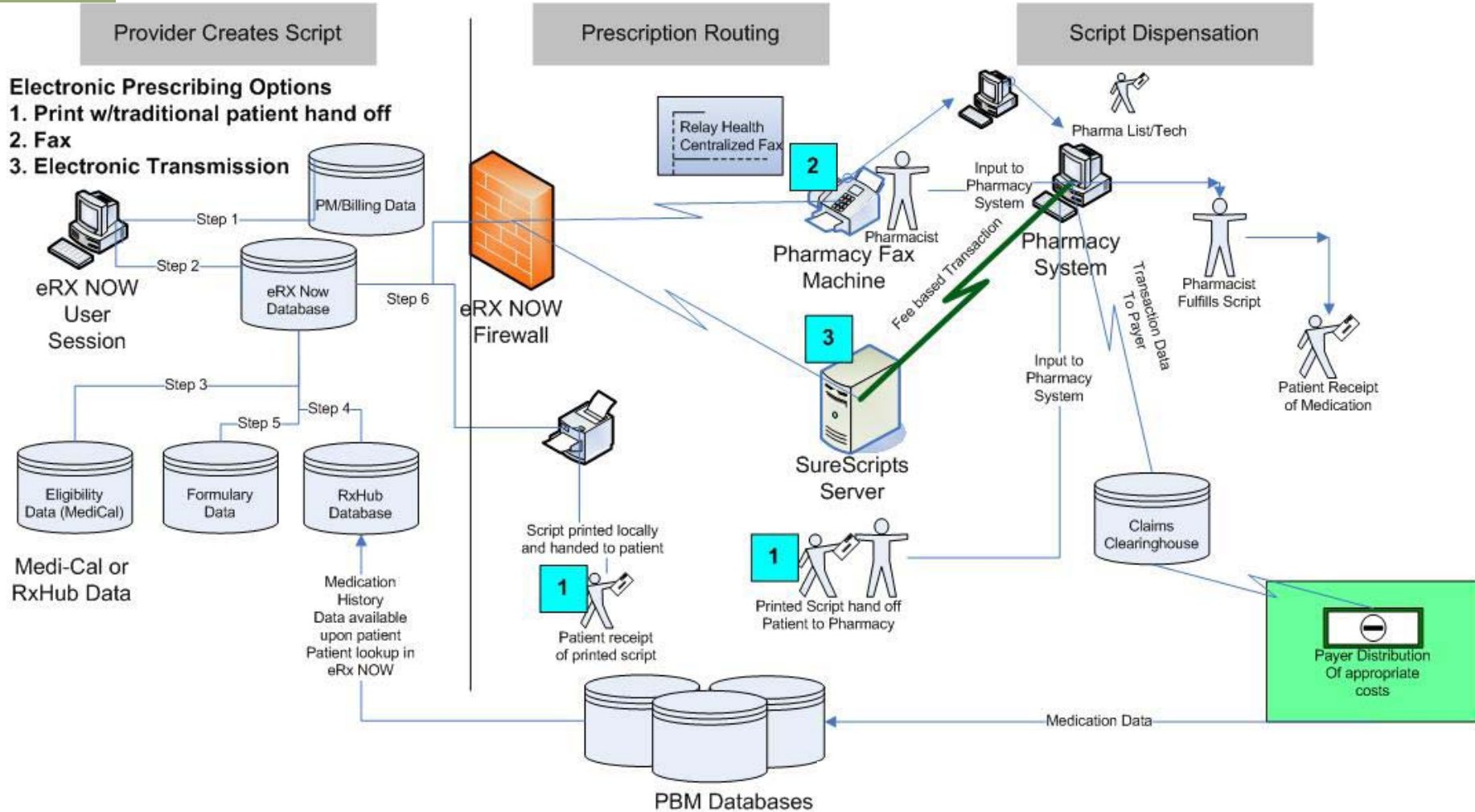
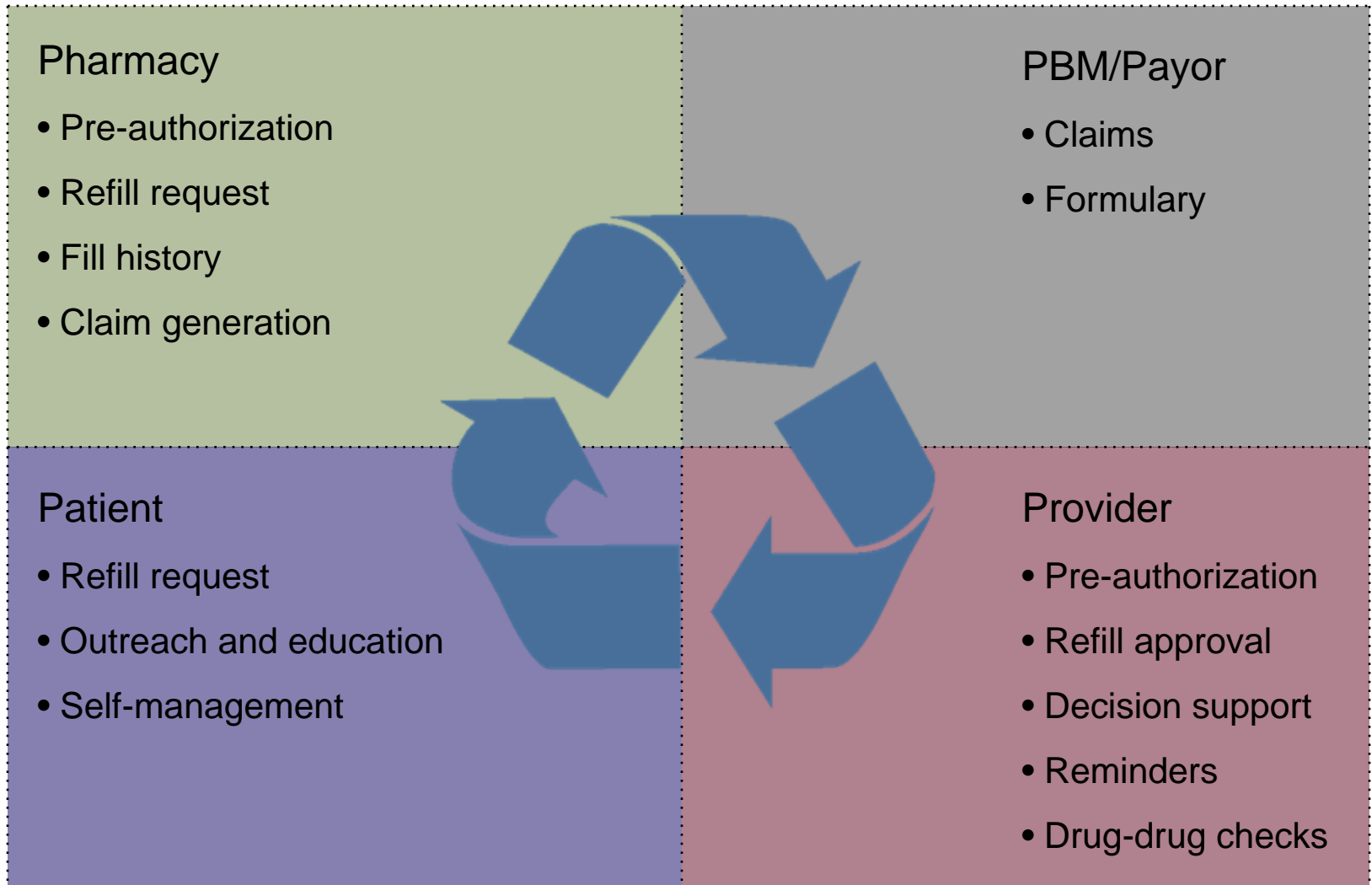# e-Prescribing: Slowly but Surely Infiltrating the World of P4P

- Private Sector Initiatives

- Federal Initiatives

  o Medicare Physician Quality Reporting Initiative

  o Medicare Physician Group Practice Demonstration

  o Draft 2009 Medicare Drug Benefit Call Letter

- State-level Initiatives:

  o Massachusetts, Florida, Michigan and others

  o Mississippi: Saves the state about $1.2 million *per month* in medication costs by equipping 225 doctors with handheld e-prescribing devices*

  o ePrescribing pilot program (northern CA and Medi-Cal)

* Government Health IT – September 13, 2007.

ePrescribing: From Start to Finish

A Comprehensive eRx Program

Pharmacy

- Pre-authorization
- Refill request
- Fill history
- Claim generation

PBM/Payor

- Claims
- Formulary

Patient

- Refill request
- Outreach and education
- Self-management

Provider

- Pre-authorization
- Refill approval
- Decision support
- Reminders
- Drug-drug checks

NSRHN eRx Program: A Pilot for the State

- 9-county region of rural northern California

- Over 30% of patients are Medi-Cal beneficiaries

- Drug-seeking: top issue identified by providers in eight community meetings (2006)

- eRx identified as #1 technology funding priority

Northern Sierra Rural Health Network Map

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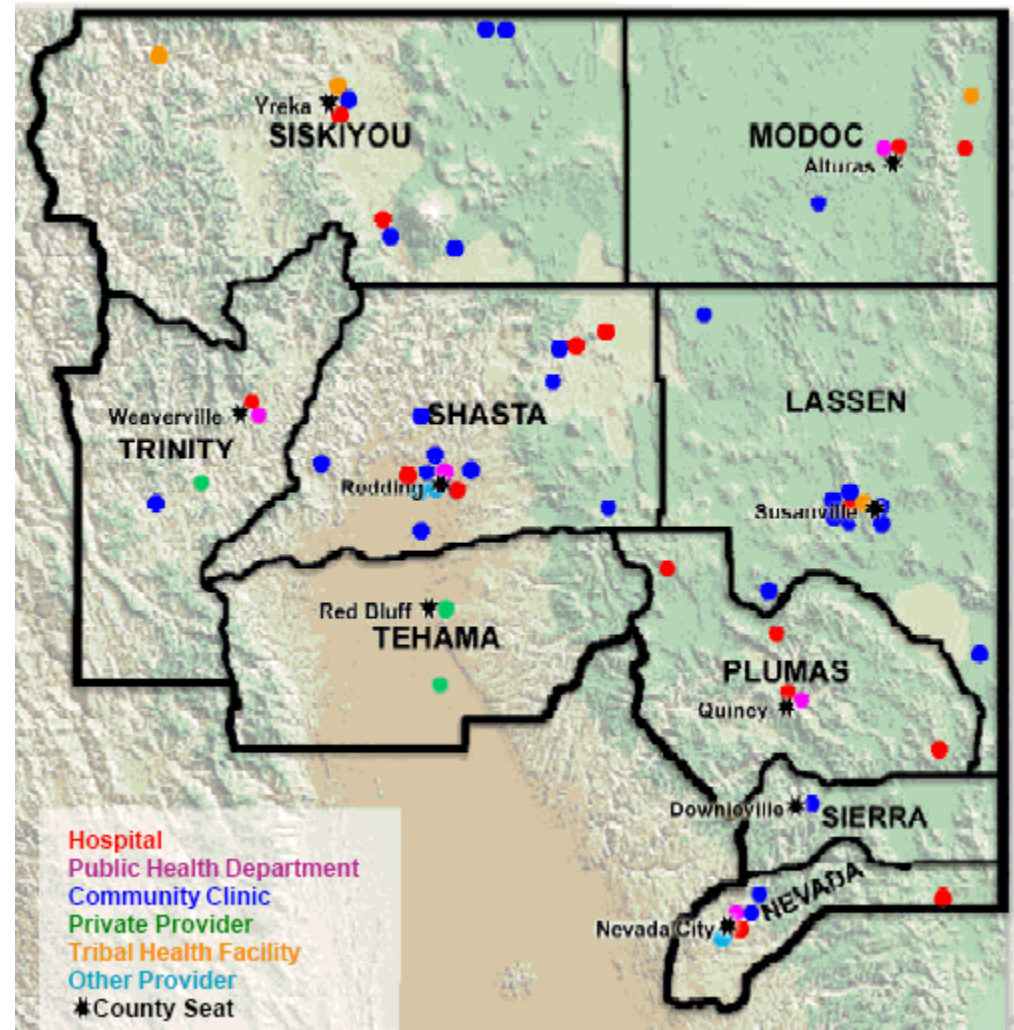
Participant Overview

Facility	Plumas District Hospital	Hill Country Community Clinic	Fairchild Medical Center	McCloud Clinic	Mercy Mt. Shasta	Shasta Community Health Center	Siskiyou Family Health Care
County	Plumas	Shasta	Siskiyou	Siskiyou	Siskiyou	Shasta	Siskiyou
Sites	1	1	1	1	3	1	1
FTEs	124	32	319	8	260		260
Clinician FTEs	35	3.7 MD, 1 DDS,1.6 MH	186	2.4	24	TBD	TBD
Payor Detail/ Market Share	40% Medicare 30% Medi-Cal 20% Private 5% Self 5% Other	39% MediCal/CMSP 15% Medicare 18% Uninsured 25% Sliding Scale 3% Self-Pay	45% Medicare 20% Medi-Cal 25% Private 5% Self 5% Other	55% Medicare/Medi-Cal* 20% Private	Medicare Medi-Cal Blue Cross	Medicare Medi-Cal CMSP	Medicare Medi-Cal Blue Cross
Pharmacy Detail	Quincy Drug Rite Aid Costco	Rite Aid Safeway Longs Walgreen's	Scott Valley Drug Wal-Mart Rite Aid Raleys	Rite Aid	Rite Aid Pharmacy Express Country Drug Longs	Rite Aid Pharmacy Express Country Drug Longs	Scott Valley Drug Wal-Mart Rite Aid Raleys
Pilot Providers	6	3-4	TBD	10	10-15	10-15	3-4

What's in it for the Provider?

- Free access to Allscripts eRxNOW through NEPSI

- eRx workflow assessment and implementation support through program management (Illumisys and Manatt Health Solutions)

- NSRHN on-site and ad hoc training, phone support

- Access to formulary data through Medi-Cal and other plans (e.g. Wellpoint)

- Improved workflow – e-refills

- Increased patient safety

  - o Alerts, e.g. drug-drug interaction
  - o Patient history – means of addressing drug-seeking behavior

- Pharmacy relationship support through SureScripts outreach and education

Spring 2009: Sharing eRx Program Findings

- Evaluation performed by U of A Pharmacy

  - Impact on clinical outcomes
  - Impact on operational costs, quality, and efficiencies to both providers and pharmacies
  - Benefits to the Medi-Cal program

- NSRHN best practices for sustaining and spreading model

  - Initial rollout – 6 provider organizations
  - Extension of Medi-Cal data to additional NSRHN providers
  - Recommendations for extension of Medi-Cal data to users of NEPSI and other eRx applications across state

- Recommendations for effective pay-for-performance initiatives among safety net providers

- Recommendations for state and national Medicaid pay-for-performance strategies

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Can E-Prescribing Help Medicaid Managed Care Plans/Providers Measure Up?

Type of Measure	Measures
HEDIS/HEDIS-Like **(focus largely at the HMO-level not the physician level)**	▪ Antidepressant medication management
Information Technology	▪ E-prescribing technology use
Utilization	▪ % generic drug use above market usage ▪ Utilization rates ▪ Overall spending levels
Patient Safety	▪ Drug-drug interactions ▪ Never events
Patient Satisfaction	▪ Consumer Assessment of Health care Providers and Systems Survey
Pharmacy Operational Efficiency	▪ Time to fill, refill Rx ▪ Communications/handoffs

Key Factors in the Design of Successful Medicaid Physician P4P Programs

- Which incentive model is best suited to physicians?

- Which performance measures and data should be used?

- What are the best ways to engage physicians?

- What regulatory issues are unique to physician P4P programs?

How does e-prescribing address these issues?

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Discussion

Questions?

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