

washingtonpost.com

E-Prescription Networks to Merge

New Company Hopes to Reduce Medicine-Dispensing Errors

By Zachary A. Goldfarb
Washington Post Staff Writer
Tuesday, July 1, 2008; D01

The nation's two electronic prescription networks plan to announce today that they are merging in an effort to encourage the adoption of their technology by doctors and patients.

Alexandria-based SureScripts and St. Paul, Minn.-based RxHub are extensions of different parts of the pharmaceutical industry. SureScripts is owned by retail and independent pharmacies; RxHub is owned by three major drug benefit managers, which are also mail-order pharmacies. The companies say they hope the broader use of the technology will cut down on costs and medical mistakes.

For about seven years, the firms have tried to persuade doctors to dump handwritten prescriptions in favor of sending prescriptions electronically to pharmacies and mail-order suppliers. But doctors have been slow to adopt. Only 2 percent of the 1.5 billion annual prescriptions are submitted electronically to pharmacies.

"As a doctor, when I think about what e-prescribing is, there's a whole variety of functions that you'd want to ensure safe delivery of medication," said John Halamka, chief information officer of [Harvard Medical School](#). "Today, SureScripts does half of them and RxHub does the other half."

SureScripts routs prescriptions to pharmacies, and RxHub sends prescriptions to mail-order firms and provides information about insurance coverage. This arrangement requires companies that make the technology used by doctors to work with, and be certified by, both SureScripts and RxHub.

The merged network, to be called SureScripts-RxHub, connects doctors, pharmacies and benefit payers, such as insurance companies. The companies don't make the technology that doctors use; other vendors do that. That technology plugs into the SureScripts-RxHub network for transferring prescription data. In addition to sending a prescription, doctors can review insurance coverage and a patient's drug history.

The companies say the advantages of electronic prescriptions include avoiding dangerous handwriting errors, warning about drugs that might conflict with one another, and making it easier to review insurance coverage for various drugs. According to the [Institute of Medicine](#), 7,000 patients die and 1.5 million people are injured by medication errors each year.

"As we move to this paperless process, we improve efficiency, safety and quality," said SureScripts chief executive Rick Ratliff, who will share the top job in the new company with RxHub chief J.P. Little.

Some analysts and physicians say the integrated network will be a major step toward creating the sort of

Advertisement

Advertisement

Gold Delta SkyMiles[®] Business Credit Card

- Save 5% on Delta flights
- Earn up to 30,000 bonus Delta miles during your first year

Apply Now

OPEN FOR BUSINESS

national electronic health records system that has been elusive in the United States.

"A standalone e-prescribing system is really just on the road to a full electronic medical record," said Sean Wieland, a health technology analyst at investment bank [Piper Jaffray](#).

E-prescribing has been held back by some of the same issues delaying greater use of electronic health records: weak incentives for doctors to buy the necessary equipment, legal roadblocks and privacy concerns.

Some of these might now be abating. Legislation is moving through Congress that would offer financial benefits to doctors who buy e-prescription technology. And the Drug Enforcement Agency is considering ending its ban on e-prescribing for controlled substances such as certain painkillers.

There is no per-prescription cost to doctors or patients for using the service. But electronic health software can cost up to \$25,000 for doctors; basic e-prescribing software is far less.

The [American Medical Association](#) has raised concerns about requiring doctors to make electronic prescriptions, saying that public health insurance doesn't cover the cost of basic health care, let alone premium high-tech services.

The merged entity might also raise privacy concerns, with so much patient data passing through the computers of one company. "As long as the data is used properly -- it won't be resold [and] the patient can say, 'I don't want to participate' -- then these are good developments," Halamka said.

The merger is a marriage of rivals. SureScripts is owned by the National Association of Chain Drug Stores and National Community Pharmacists Association. RxHub is owned by [CVS Caremark](#), [Express Scripts](#) and [Medco Health Solutions](#), which are also the leading mail-order companies. The two groups compete for prescription sales.

SureScripts and RxHub do not disclose financial results as private companies.

Post a Comment

[View all comments](#) that have been posted about this article.

You must be logged in to leave a comment. [Login](#) | [Register](#)

Submit

Comments that include profanity or personal attacks or other inappropriate comments or material will be removed from the site. Additionally, entries that are unsigned or contain "signatures" by someone other than the actual author will be removed. Finally, we will take steps to block users who violate any of our posting standards, terms of use or privacy policies or any other policies governing this site. Please review the [full rules](#) governing commentaries and discussions. You are fully responsible for the content