



Fostering Adoption of E-Prescribing in California

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Electronic prescribing ("e-prescribing") is the electronic transmission of prescription or prescription-related information between a provider, dispenser, pharmacy benefit manager, or health plan. E-prescribing has considerable potential to reduce medication errors and costs and improve administrative efficiencies in practice settings and pharmacies. In 1999, the Institutes of Medicine estimated that as many as 7,000 people die each year from prescription errors in non-hospital settings. In 2008, Medco reported that 51% of American children and adults were taking one or more prescription drugs for a chronic condition, with one in four elders taking five or more medicines regularly. E-prescribing can improve the medication dispensing process by:

- Encouraging patients and providers to select less-expensive and generic drugs by providing formulary information;
- Determining regimen compliance and whether appropriate drugs have been used by providing medication history;
- Alerting physicians to potentially dangerous combinations of drugs or allergic reactions; and
- Reducing prescription administrative overhead by as much as 25% for the pharmacist and 20% for the medical staff by eliminating paper-based prescribing methods.

Despite the clear benefits of e-prescribing, however, adoption has been slow; only 26% of California physicians routinely prescribe medication electronically and the vast majority of these are associated with Kaiser Permanente or other large practices. Barriers to adoption include:

- Lack of pharmacy history, eligibility, and formulary information in an electronic format from payers;
- Issues with pharmacy and provider connectivity; and
- Costs associated with purchasing and using e-prescribing software and challenges associated with changing workflow to accommodate its use.

Meanwhile, California Governor Arnold Schwarzenegger has proposed the state adopt universal e-prescribing by 2010 as a key component to achieving affordable, safe, and accessible health care for all Californians. E-prescribing is also a focus of the U.S. Centers for Medicare and Medicaid Services (CMS).

Pilot Projects

The California HealthCare Foundation (CHCF) has taken several steps to encourage broader adoption of e-prescribing. CHCF has supported regional pilot projects to learn about the challenges and opportunities of e-prescribing when used by various stakeholders. A pilot with the Northern Sierra Rural Health Network is implementing e-prescribing in local hospitals, clinics, provider offices, pharmacies, the SureScripts-RxHub network, and the California Department of Health Care Services (DHCS) to test e-prescribing for Medi-Cal patients. Another pilot is testing e-prescribing with L.A. Care Health Plan, the largest public health plan in the United States, which serves nearly 800,000 members from low-income and vulnerable populations.

A Framework for E-Prescribing Adoption in California

In 2008 CHCF conducted a market assessment in which more than 30 health care industry leaders were interviewed about their respective roles in advancing e-prescribing adoption. Stakeholders discussed ways to overcome barriers and suggested tactics to accelerate adoption. The market assessment is available as an issue brief under Related CHCF Pages below. CHCF also formed an e-prescribing advisory group, held a state government briefing on e-prescribing, and is in the process of convening a stakeholder meeting including providers, government, pharmacies, consumers, employers, health plans, and purchasers to refine a framework for California -- a plan to systematically increase e-prescribing adoption and utilization.

Related CHCF Pages

[HTML Getting Connected: The Outlook for Electronic Prescribing in California](#)

[HTML Snapshot: The State of Health Information Technology in California, 2008](#)

 [HTML California Can Lead the Way in Health Information Technology](#)

 [HTML The Prescription Infrastructure: Are We Ready for ePrescribing?](#)

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