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ePrescribing

CMS Holds Historic ePrescribing Conference Answering Some MIPPA Questions

by Tony Schueth, Editor-in-Chief

We have been saying for quite awhile that the stars are aligning for ePrescribing and align they did on October 7 in Boston at a seminal national ePrescribing conference sponsored by the Centers for Medicare and Medicaid Services (CMS). The meeting was historic for a number of reasons, which are described below, but the bottom line is this is the first time a large number of high-level stakeholders — not just the ePrescribing industry but also federal and state governments and a wide array of provider organizations — came together in such a large show of solidarity to underscore the importance of ePrescribing and work to accelerate its adoption as a prelude to remaking the nation's health care system. In addition, this was the first widespread show of support by the physician community for ePrescribing.

Highlights include:

- To our knowledge, this is the first time that such a large and star-studded event has taken place. More than 1,400 were in attendance, including federal and state officials, physicians and other health care providers, health information technology (HIT) and health association members, industry officials and vendors.
- A stellar array of speakers conveyed an unprecedented, high-level and bipartisan show of support for ePrescribing. On the dais were Governors Donald Carcieri (R) of Rhode Island and Deval Patrick (D) of Massachusetts; HHS Secretary Mike Leavitt; CMS Acting Administrator Kerry Weems; former Speaker Newt Gingrich (via satellite); Mark Merritt, President and CEO of PCMA; David Brailer, MD, PhD, and chair, Health Evolution Partners and first Health and Human Services (HHS) National Coordinator; Janet Marchibroda, CEO of the e-Health Initiative; and Kevin Hutchinson, the former CEO of SureScripts who is now CEO of Prematics, Inc. and one of the board of directors for the new AHIC 2.0.
- CMS organized and launched the meeting in only six weeks (which is very impressive if you've ever been involved in federal contracting), with a notable array of cosponsors for the meeting itself, individual sessions and other events, including: the American Association for Retired Persons; America's Health Insurance Plans; American Academy of Family Physicians (AAFP); American College of Physicians (ACP); American Medical Association (AMA); American Medical Group Association; American Optometric Association; American Pharmacists' Association; American Society for Consultant Pharmacists; Arizona Health-e Connection; Blue Cross/Blue Shield Association of America; Blue

- Cross/Blue Shield Association of Massachusetts; CVS/Caremark; Massachusetts Medical Society; California Healthcare Foundation; e-Health Initiative Foundation; e-Prescribe America; Florida's Agency for Health Care Administration; HealthITnow.org; Healthcare Information and Management Systems Society (HIMSS); Lahey Clinic; Massachusetts College of Pharmacy and Health Sciences; Massachusetts Health Data Consortium; Massachusetts Medical Society; Medical Group Management Association (MGMA); National Alliance of State Pharmacy Associations; National Association of Chain Drug Stores; National Association of Community Health Centers; National Community Pharmacy Association; National Council on Prescription Drug Programs; New England Healthcare Institute; Massachusetts Technology Collaborative; Medco Health Solutions; Pharmaceutical Research and Manufacturers Association; Pharmaceutical Care Management Association; State of Tennessee; SureScripts-RxHub, LLC; Walgreens; and Wyeth.
- Widespread support for ePrescribing among the physician community was evidenced at the meeting with the release of *A Clinician's Guide to Electronic Prescribing*. It is the first comprehensive, multi-stakeholder "how to" guide to help clinicians make informed decisions regarding how and when to make the transition from paper to ePrescribing. The guide was issued by the e-Health Initiative in collaboration with the AMA, AAFP, ACP, MGMA, and Center for Improving Medication Management. Copies of the guide and other educational materials are available on the e-Health Initiative Web site at www.ehealthinitiative.org/.
 - More than a dozen vendors were on hand to demonstrate ePrescribing and integration with electronic health records (EHRs), lab results and practice management systems at a HIMSS-sponsored technology solutions showcase the day and night before the meeting.
 - The content of the meeting, while directed primarily at physicians, had something for everyone. Even those of us who have been around ePrescribing for years came away with some new information, which we discuss in the next article.

CMS deserves a huge amount of credit for convening this event and making it happen so quickly — and in such a meaningful, high-profile way. We hope CMS and the other stakeholders will continue to work to keep the momentum going.

Results of the CMS ePrescribing Conference: What We Know and Don't Know

The historic CMS ePrescribing conference in Boston on October 7 was convened to provide information about ePrescribing to physicians and answer questions about how the new bonus system for ePrescribing adoption will work. As we had discussed in our last newsletter, the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) offers both carrots and sticks to spur ePrescribing adoption. We did glean some information at the conference on how MIPPA incentives will be implemented, which is summarized below. Speakers at the conference also addressed a number of other regulatory and

implementation issues related to ePrescribing.

So, what do we know? The answer is a bit more than before, but a number of questions remain. Some will be addressed when the Physician Fee Schedule final rule is issued around the first week of November. It will contain some specifics about how the MIPPA bonus program will work. Other questions are still to be worked through, with details TBD. Here's a summary of where things stand. Call or e-mail us if you have questions, need clarification or want help with strategic positioning and implementation.

What We Know About MIPPA

Under MIPPA, Medicare will offer a 2% incentive payment to eligible physicians for two years beginning in 2009. The bonus will drop to 1% in 2011 and 2012, and to 0.5% in 2013. However, nonadopters will have their Medicare payments decreased by 1% in 2012, 1.5% in 2013 and 2% in 2014 and later. Some providers will be exempt. HHS Secretary Mike Leavitt estimated the value of the incentive payments at around \$1 billion.

At least in the beginning (January 1, 2009), MIPPA incentive payments appear to be based on Part B claims, although we expect clarification will be forthcoming. The bonus will be based on the proportion of self-reported patient visits that result in an ePrescription using a "qualified" system, which is at least 50% of visits for 2009 (see more details below).

Requirements are somewhat similar to those of the CMS Physician Quality Reporting Initiative (PQRI), except for the qualifying percentage (which is 80% for PQRI). Some details are on the CMS Web site at www.cms.hhs.gov/pqri. CMS will soon add an ePrescribing section, which will include a fact sheet, an "ePrescribing made simple" document, details about MIPAA and Part D standards, and a list of vendors that have informed CMS that their system complies with both Part D and PQRI requirements.

Qualified ePrescribing systems must meet the functionality requirements of PQRI measure #125:

- Generating a complete active medication list
- Selecting medications
- Printing prescriptions
- Electronically transmitting prescriptions
- Conducting safety checks
- Providing information about lower-cost alternatives
- Providing information about formulary or tiers

According to CMS, there are three steps to qualify for the MIPPA bonus:

1. The physician must obtain and regularly use a "qualified" system, which must meet all the requirements and functionalities listed in PQRI measure #125 and be compliant (to the extent possible) with the standards for ePrescribing under Part D that go into effect on April 1, 2009. Those whose system does not meet these requirements cannot report — that is, they are ineligible for the

bonus.

2. When self-reporting, physicians must use the ambulatory and office visit codes, which will comprise the denominator for the bonus calculation. They also must use the "G" codes, as used in PQRI, for reporting for ePrescribing. These will be used to determine the numerator in the bonus calculation. EVERY eligible patient visit must be reported. However, some services, such as counseling and minor surgical procedures, will not qualify for incentives.
3. In addition to providing the appropriate CPT codes for the patient visit, the physician must use one of the G codes to specify one of the following:
 - G8443 — I ePrescribed using a qualified system.
 - G8445 — I did not prescribe anything at this visit. [Note: This makes sense as not all visits result in a prescription.]
 - G8446 — I did not ePrescribe for this patient event due to patient choice or prohibitions by federal and state laws. [Note: This allows for the "Drug Enforcement Agency (DEA) problem" as controlled substances currently may not be ePrescribed. This ensures that physicians who treat Medicare beneficiaries with chronic conditions and pain, for example, will not be penalized for not ePrescribing controlled substances for such patient visits.]

Successful reporting is defined as reporting on the ePrescribing measure (see above) for at least 50% of eligible patients. There is a limitation: CPT codes that make up the denominator MUST account for at least 10% of the provider's total allowed charges for Medicare Part B covered services.

As 2009 progresses, it will become harder for physicians to meet the 50% visit threshold because it is an annual measure. Physicians who have been early ePrescribing adopters — or are in the process of implementing an ePrescribing system — definitely will have a leg up on meeting and maxing out on the MIPPA bonus requirements for 2009.

Among other things, the Medicare Physician Fee Schedule final rule, to be issued around the first week of November, will spell out the definition of a "successful ePrescriber" and services that will qualify for the MIPPA incentive payments. Feedback garnered at the conference will help CMS shape the guidance.

What We Know About Other ePrescribing Issues

- If they voluntarily choose to accept and use ePrescribing transactions, pharmacies must comply with the final ePrescribing standards that go into effect on April 1, 2009.
- Similarly, Part D sponsors also must all support the final ePrescribing standards going into effect on April 1, 2009, if their pharmacies or providers choose to ePrescribe for Part D-covered drugs for Part-D eligible individuals. In the meantime (and beyond April 1, 2009), they must:
 - Provide eligibility information, medication history, and formulary and benefit information if requested by the

prescriber or dispenser.

- Ensure pharmacy contracts require pharmacy compliance with Part D standards when conducting ePrescribing transactions between the pharmacy and Part D sponsor and the pharmacy and prescriber.
- Pharmacy ePrescribing costs for Part D drugs for Part D-eligible individuals are legitimate overhead costs and should be factored into dispensing fees. It has been pointed out that differential dispensing (or incentive) fees for ePrescriptions could be used to further align ePrescribing incentives for pharmacies.
- The quantitative evidence around the value proposition for ePrescribing continues to grow. The eRx Collaborative reported that in 2007, 104,000 eRx's were changed due to alerts. Researchers determined that this resulted in the prevention of 724 potential adverse drug events (ADEs). The cost savings related with avoiding these potential ADEs is estimated to be \$630,000 in health care utilization.
- CMS is looking ahead to help increase the visibility of prescribers and pharmacies conducting ePrescribing (such as through directories), establishing reporting requirements for Part D sponsors, and working with the National Council for Drug Prescription Programs (NCPDP) to develop new standards and revise existing ones.
- The Certification Commission for Health Information Technology is developing and testing criteria to certify ambulatory ePrescribing products. The certification process is set to launch in July 2009, with successful products to be certified by the end of the year.
- A pilot study is under way of RxNorm and the "codified Sig" standards. The work is being done by the RAND Corporation, under the direction of Douglas Bell, MD, PhD, and Point-of-Care Partners (POCP) is proud to be participating.
- The federal government continues its work to address shortcomings of the current ePrior Authorization transactions for medications. Under a subcontract that is ultimately with the Agency for Healthcare Research and Quality, POCP is conducting some background work on this.

What We Don't Know

- We don't know what will happen to those physician practices applying for the MIPPA incentives in good faith but failing to reach the threshold requirements. We don't know what will happen to those physicians who have been ePrescribing but whose system doesn't meet CMS requirements.
- The MIPPA incentive system is based on self-reporting, so one wonders if anyone who is not a qualified physician with a qualified ePrescribing system will report.

- The government can change its MIPPA reporting requirements, but details are sketchy at this point. It appears as if this will be done to transition to the use of Part D claims at some unspecified time in the future. This also will require adoption of the "5010" version of certain Health Insurance Portability and Accountability Act (HIPAA) standards and adoption of NCPDP Telecommunication Standard D.0, both of which are being proposed by CMS in other rulemaking.
- It is unclear at this point whether Medicare Advantage claims will count toward the denominator for the incentive calculation. We have heard conflicting accounts. Hopefully, this will be clarified in the forthcoming rule.
- The government could make use of the prescription origin code to simplify reporting and make bonus calculations faster and easier. As we noted in a previous issue of *HIT Perspectives*, the uptake on PQRI in general has been slow because the system is cumbersome and challenging. Moreover, those physicians who have participated are generally dissatisfied because feedback has been slow and late to physicians, according to an MGMA study. Also as noted in a previous issue of *HIT Perspectives*, the industry is working on codifying use of the code, which currently has varying uses depending on the entity submitting it.
- We don't know if MIPPA-like requirements will be extended to Medicaid. According to CMS Acting Administrator Kerry Weems in a preconference press briefing, CMS is considering extending ePrescribing incentives or requirements to Medicaid that states already could impose on their programs.
- We don't know when the DEA will issue its final guidance on ePrescribing for controlled substances. The inability to ePrescribe controlled substances was cited consistently at the conference as a barrier to adoption and use. The DEA issued a proposal rule and received 175 comments by the September 25 deadline. We do not know how many individuals and organizations are associated with those 175 comments because we know of several "sign on" letters that had multiple signatories for a single letter. We hope the DEA will count those as separate comments from the undersigned organizations, instead of as a single comment.
- Finally, we don't know to what extent the new incentive program could prompt commercial insurers to consider offering similar financial incentives to their most valued physicians. Many commercial payers have been waiting to see what incentives CMS would offer, how they would work, and whether such a program would make sense in their environment. Will commercial payers be willing to contribute additional incentives to spur adoption or impose some sort of financial penalty for lagging adopters? POCP is monitoring these trends and advising clients about potential impacts to their business strategies.