

## **STATE ALLIANCE CALL TO ACTION FOR NGA**

The members of the State Alliance for e-Health recognize the potential for e-prescribing to increase patient safety and improve the health of all Americans. Today, less than five percent of eligible prescriptions are filled through e-prescribing methods. Given the proven safeguards, convenience, and potential savings that accompany e-prescribing, we request that the National Governors Association provide the national leadership to work with states to increase e-prescribing utilization.

The NGA should encourage states to adopt a goal for accelerating e-prescribing implementation. As a benchmark for achieving nationwide use of this important tool, the State Alliance believes an attainable goal is for states to annually double their rate of prescriptions sent electronically, as well as increasing the number of pharmacies and providers who are e-prescribing capable. If this rate of increase could be achieved, the Alliance would anticipate achieving a nationwide goal of a 50% by 2012.

Working through its Center for Best Practices, the NGA should conduct the following activities:

- 1) Obtain commitments from relevant health care partners to support state e-prescribing initiatives. These partners would include pharmacies, plans, and employer groups, all of whom have important contributions that could enhance and support state action.
- 2) Support state efforts to implement e-prescribing initiatives with technical assistance, guidance, and other assistance, working the National Conference of State Legislatures, the National Association of Attorneys General, the National Association of Insurance Commissioners, the Association of State and Territorial Health Officials, and other relevant state organizations.
- 3) Identify and share best practices in overcoming barriers, educating consumers, and implementing requirements and incentive programs.

In addition to concerted and focused state efforts, several federal level actions could contribute to the advance of e-prescribing. The NGA should encourage federal level efforts.

- 1) The NGA should request that the federal government use its leverage through Medicare and other programs to promote e-prescribing utilization and support adoption by providers.
- 2) The NGA should call on the Department of Justice to work with e-health leaders to address e-prescribing of controlled substances in a manner that ensures ease of e-prescribing, while also protecting against unlawful access to these medications.

## **Achieving Wide-Spread Electronic Prescribing**

The time is ripe for states to focus electronic health information exchange (HIE) efforts on promoting the widespread use of electronic prescribing (e-prescribing). Promoting e-prescribing is a gateway initiative that could speed the development of electronic health records and widespread use of health information technology (HIT). E-prescribing is quite feasible and achievable in the short term, but remains dramatically underutilized. This lack of adoption results in daily failures in the American health care system, including costly patient errors, poor quality of care, and inefficient delivery of services.

### **I. WHAT IS THE VALUE OF E-PRESCRIBING?**

At the most basic level, e-prescribing is conducted through a computer or a handheld device, which enables physicians to electronically generate and submit prescriptions directly to a pharmacist. E-prescribing systems may be a stand-alone system or integrated as part of an electronic health record (EHR) system. Building out from this basic transaction, e-prescribing can be expanded to allow physicians to check on patient compliance with drug regimen (i.e., did patient fill a prescription), obtain up-to-date plan formularies at the point-of-care, review medication history, and avoid dosing errors and deadly drug interactions.

E-prescribing has the potential to dramatically improve patient safety, improve health outcomes, reduce preventable health care costs, and enhance efficiency of health care delivery by streamlining the prescribing process. The use of e-prescribing has the opportunity to avoid 2 million adverse drug events annually and potentially save an estimated \$27 billion per year in health care costs.

In addition to these direct benefits, e-prescribing would be an important initiative for building relationships with the provider community and others around broader e-health efforts, demonstrating state commitment and leadership around facilitating electronic HIE development and generally serving as an early win in efforts to expand HIT adoption. It is estimated that physicians spend up to 25 percent of their day communicating with pharmacies. E-prescribing, for example, reduces the likelihood of pharmacists' need to clarify handwritten prescriptions.

### **II. MOMENTUM GAINING ACROSS SECTORS**

Many public and private sector initiatives to drive electronic HIE development and HIT adoption integrate e-prescribing efforts into electronic health records, or build-off of an e-prescribing platform. Demonstrated willingness of both sectors to coordinate and collaborate to further electronic HIE suggests that e-prescribing is an appropriate, incremental step towards broader HIT adoption, such as EHRs, and eventual interoperability. Perhaps the most important asset is that the network infrastructures have already been built to connect payers, physicians, and pharmacies (85 percent of pharmacies are ready to receive electronic prescriptions). While many physicians office are not currently using this infrastructure, they can get connected with an investment in an office-based system.

Other assets for e-prescribing exist now, and include:

- Some states have ranked e-prescribing as a top e-health priority and set target dates for universal implementation. Eighteen states have already implemented e-prescribing in at least one of its public programs, most predominant in Medicaid.
- State pharmacy regulations now allow for electronic exchange of pharmacy information, with approximately 35 million prescription transactions electronically routed in 2007.

- Certification requirements and technical standards for e-prescribing functions and connectivity are already frequently implemented in current vendor systems.
- Broad stakeholder support for e-prescribing exists, such as in the primary care physician community and state pharmacy boards.

### III. REMAINING BARRIERS

Despite these drivers, however, barriers remain that must be addressed in order to realize the full potential of e-prescribing. The most significant of these challenges are:

- **Market share engaged in e-prescribing is currently insufficient.** Misaligned financial incentives, little guidance for the purchase of e-prescribing systems, adverse impact on office workflow and expense contribute to the slow adoption of e-prescribing by physicians. With only about 15 percent of providers regularly using this method, there is hesitation to commit resources to e-prescribing. This is particularly relevant in areas where there are large numbers of small physician practices and of non-chain pharmacies.
- **Limited engagement by Medicare to drive adoption.** Medicare currently permits e-prescribing on a voluntary basis under Part D, but has made no particular efforts to drive adoption. Medicare action, including incentive and support programs that span payers (federal, state, and private) and plans would be needed to ensure adoption more broadly.
- **Federal requirements for written prescriptions.** The Drug Enforcement Administration requires that controlled substances be prescribed in written form. This requirement poses as a barrier to provider adoption, forcing the use of two systems for prescribing – electronic for non-controlled substances and paper-based for controlled substances.

### IV. GOVERNORS CAN LEAD

States have a unique opportunity to build on the momentum gaining across the nation to achieve universal adoption and use of e-prescribing. Governors could play a key role in ensuring barriers are overcome and that all relevant health care partners aid in supporting the changes that must be made to fully realize the benefits of e-prescribing.

Several major options are available to governors in promoting this agenda. Willing governors can initiate efforts to build public interest, educate providers, support implementation and require adoption. State employee programs, Medicaid, and regulatory mechanisms are all avenues for advancing these efforts. A number of states have already committed to this agenda, and more are needed to reach the goals of better and more efficient health care through e-prescribing. Likewise, federal interest has recently emerged for this issue, and governors could potentially join efforts with key federal components, like Medicare.

The greatest impact will come from efforts that draw together public and private-sector stakeholders in health care. Governors must begin progress by working to identify goals and develop strategies with private sector partners including payers, plans, providers, and consumers. Working in partnership, governors must set achievable but accelerated targets for adoption and use, and implement efforts to incentivize and require implementation.