Bonus Payments Push E-Prescribing for Medicare

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BOSTON — "E-prescribing saves lives, it saves money, and it's time we implement it," according to Health and Human Services Secretary Mike Leavitt.

However, streamlining the bloated health care system "is an economic imperative for our country. We have to get down to making the system better, and [e-prescribing] is one piece of a large puzzle," Secretary Leavitt commented at a conference on e-prescribing sponsored by the Centers for Medicare and Medicaid Services.

After acknowledging that "change is hard," especially change that requires substantial time and money, Secretary Leavitt assured meeting attendees that the benefits of implementing an electronic prescribing system would quickly exceed the costs, thanks in large part to the incentive program provided under the Medicare Improvements for Patients and Providers Act of 2008.

Under MIPPA, physicians who use a qualified e-prescribing system for their Medicare patients will be eligible to receive a bonus of 2% of their Medicare revenue in 2009 and 2010.

The bonus amount will decrease to 1% of total Medicare revenue in 2011 and 2012, and to 0.5% in 2013. Beginning in 2014, physicians who are not prescribing electronically will see their Medicare payments reduced by as much as 2%.

From the government's perspective, the business case for e-prescribing is a "no-brainer," according to acting CMS administrator Kerry Weems, as widespread implementation of the technology could save Medicare $13 million–$146 million between 2009 and 2013.

The savings, he said, will be achieved through averted medication errors and the substitution of less-expensive prescription drug alternatives.

Specifically, "errors associated with illegible handwriting are eliminated and those linked to oral miscommunications are substantially reduced because the process is automated," he said.

Additionally, e-prescribing software provides secure electronic access to each patient's prescription history and automatically alerts physicians to dangerous drug interactions and allergies, thereby minimizing the potential for both.

E-prescribing also promises advantages that will have a positive impact on physician bottom lines, Mr. Weems said.

Automating the prescribing process reduces time spent on phone calls and faxes to pharmacies, speeds the prescription renewal request and authorization process, increases medication compliance, improves formulary adherence, allows greater prescriber mobility, and improves drug surveillance.

Together with the promised bonuses (and future penalties) for e-prescribing, the argument in favor of technology is gaining steam.

"With MIPPA, Congress has helped us solve the business equation side of e-prescribing," he said.

Without question, the financial incentives improve the case for converting from traditional to electronic prescribing, Mr. Weems said, noting that the average e-prescribing primary care doctor stands to collect between $2,000 and $3,000 in bonuses in 2009 and the cost of an e-prescribing system ranges from $2,500 to $3,000.

The psychological obstacles, on the other hand, may be tougher to knock down, according to Secretary Leavitt.

"There's always going to be resistance to change, and in this case, some of it is well thought out: 'I've got training costs; there's likely to be a productivity dip; do I really want my business to go through this?' Those are the kinds of things that are part of any sort of business process change, and such change doesn't happen overnight," he said.

To help facilitate the change, the eHealth Initiative, in collaboration with physicians groups like the American Medical Association, the American Academy of Family Physicians, the Medical Group Management Association, as well as the Center for Improving Medication Management, has published "A Clinician's Guide to Electronic Prescribing."

The guide offers practical information on planning, selecting, and implementing an e-prescribing system.

The guide "is an invaluable resource provides substantial detail not only on how to get started but what challenges to expect and how to overcome them," said Dr. Steven E. Waldren, who is the director of the American Academy of Family Physician's Center for Health Information Technology.

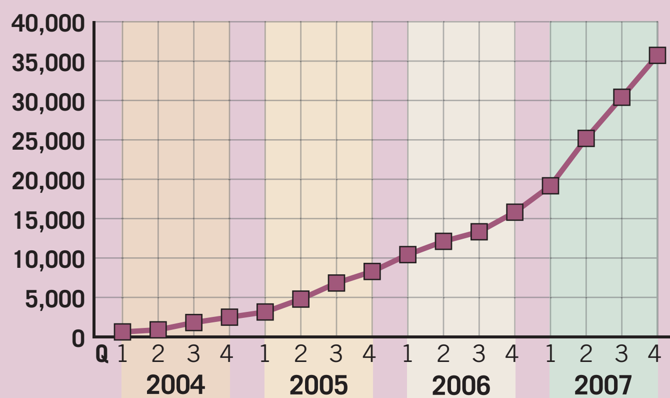
Other challenges that are currently hindering the widespread adoption of e-prescribing by physicians, according to the guide, include work flow changes, the continued need for improved connectivity and technology, state regulatory restrictions (for example, the New York State Medicaid requirement that the "dispense as written" instruction be handwritten), and the need for reconciled medication histories. ■

For a copy of "A Clinician's Guide to Electronic Prescribing," visit www.ehealthinitiative.org.

DAVID SNOWDEN/CMS

Secretary Leavitt said that "change is hard," but the benefits of adopting e-prescribing would quickly exceed the costs. A 2% bonus is available for physicians who e-prescribe in 2009.

Quarterly Growth in Number of E-Prescribers



Note: Data from the National Progress Report on E-Prescribing, 2007.
Source: SureScripts-RxHub

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TALK BACK

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Basic Requirement for E-Prescribing Bonus: A 'Qualified' Prescribing System

Integrating an electronic prescribing system into a medical practice and qualifying for the promised Medicare bonus for doing so "isn't as straightforward as it sounds," an audience member observed at the conference.

While panel member Dr. Michael Rapp, director of the Centers for Medicare and Medicaid Services Quality Measurement and Health Assessment Group, agreed that the process does require careful consideration, he assured attendees that "most office-based doctors would meet the basic eligibility requirements."

Chief among these basic requirements are the use of an e-prescribing system that meets the 2009 Medicare Part D standards, which go into effect in April 2009, and properly reporting e-prescribing activity, according to Dr. Rapp.

Under the Physician Quality Reporting Initiative (PQRI) measure No. 125, "qualified" e-prescribing systems must be able to generate a medication list; provide information on lower-cost alternative medications; transmit prescriptions directly to the pharmacy; generate automated alerts offering information on the drug, potential inappropriate dose of route of administration, drug-drug interactions, allergy concerns, and warnings; and provide information on tiered formulary medications, he said.

Whether these criteria are met by a stand-alone e-prescribing system or a full-blown electronic health record (EHR) system with an e-prescribing module does not affect eligibility, said Dr. Rapp. "It is important to think long term when choosing what type of system to buy. Although a full EHR system is not necessary now, it very likely will be a requirement in the future, so think about buying something that will enable the eventual transition to an EHR."

With respect to documenting e-prescribing activity, physicians must report on the Medicare claim form that they have and use a qualified e-prescribing system, and they must report an encounter with one of several CPT or G-codes specified in the measure (www.cms.hhs.gov/eprescribing).

"Successful reporting," according to Dr. Rapp, "is defined as reporting the measure on at least 50% of eligible patients."

Additionally, physicians must receive at least 10% of their total allowed charges for Medicare Part B covered services from these codes, he explained.

The details of the 2009 e-prescribing incentive program were still being tweaked at press time, Dr. Rapp stated.

A list of vendors of compliant e-prescribing systems is available online at http://www.surescripts.com. Listed systems are certified to meet federal standards and interface with the pharmacy industry's computer network.