POLICY & PRACTICE

E-Prescribing Called 'Win-Win'

Electronic prescribing could prevent nearly 2 million medication errors and save the federal government $26 billion over the next decade—even after providing funds for equipment, training and support—if physicians were required to use the technology for their Medicare patients, according to a study released by the Pharmaceutical Care Management Association. The study found that when physicians use e-prescribing to learn their patients' medication history and prescription choices, both patient safety and savings improve dramatically. However, fewer than 1 in 10 physicians actually use e-prescribing, according to PCMA. The group, which represents pharmacy benefit managers, is pushing the Centers for Medicare and Medicaid Services to require e-prescribing for all Medicare Part D prescriptions by 2010, while providing incentive payments for physicians that would offset their costs for equipment, training, and support.

Feds Release Medicaid Drug Rule

CMS has unveiled a new method of setting limits on what the federal government will reimburse state Medicaid agencies for prescription drug payments. As part of the new regulation, states will be required to collect information from physicians about prescription drugs administered in their offices so that the state can collect any rebates offered by drug manufacturers on those products. The final rule, which will take effect Oct. 1, is aimed at reining in inflated drug product payments, CMS said. The regulation is expected to save states and the federal government $8.4 billion over the next 5 years, but even with the change, the Medicaid program still is expected to spend $140 billion for drugs over the same time period. The change is in part a reaction to a series of reports showing that Medicaid payments to pharmacies for generic drugs were much higher than what pharmacies actually were paying for the drugs.

APhA Urges Delay in Rx Rule

The American Pharmacists Association and three lawmakers have urged CMS to delay implementation of a new federal mandate requiring the use of tamper-resistant prescription pads for all Medicaid prescriptions beginning Oct. 1. The mandate, included in recently approved legislation to fund the war in Iraq, requires that all Medicaid prescriptions be written on "tamper-resistant" paper to be eligible for federal reimbursement. But even though many states have similar requirements, it will take much longer than 3 months to roll out such a program across the country, said APhA executive vice president and CEO John Gans in a statement. The three lawmakers—Rep. Charlie Wilson (D-Ohio), Rep. Marion Berry (D-Ark.), and Rep. Mike Ross (D-Ark.)—say that most physicians do not currently use these types of pads, nor are supplies readily available. "The tamperproof pad law was designed to prevent Medicaid fraud," the legislators said in a statement. "However, the timeline for implementation could result in patients being turned away from their pharmacies as of Oct. 1, 2007, if doctors fail to write prescriptions on 'tamper-resistant' paper." The congressmen have introduced a bill that would require only prescriptions for Class II narcotics to be written on the tamperproof prescription pads.

N.Y. AG Fights Rankings

New York's attorney general has asked insurer UnitedHealthcare to halt the introduction of a program that would rank physicians in the state according to quality of care and cost of service. UHC was slated to release its New York physician rankings next month, and State Attorney General Andrew Cuomo's staff said they feared that consumers would be steered to physicians based on faulty data and criteria. In addition, the letter from Linda Lacewell, the attorney general's counsel for economic and social justice, said that consumers may be encouraged through the program to "choose doctors because they are cheap rather than because they are good." Ms. Lacewell wrote, "UnitedHealthcare's profit motive may affect the accuracy of its quality ratings because high-quality doctors may cost UnitedHealthcare more money."

Army to Educate on Mental Health

The U.S. Army is beginning a program to have all soldiers—and their families—learn the symptoms of traumatic brain injury and posttraumatic stress disorder and to help service personnel seek treatment. The goal is for all military personnel to receive training by mid-October. The Army will use what it calls a "chain-teaching" method, with education coming down the chain of command. Leaders can retrieve materials—consisting of a 35-page guide and video and slide shows—at www.army.mil. The aim is to remove the stigma of seeking help, according to the Army.

New Orleans MD Charges Dropped

A grand jury refused to indict Dr. Anna Pou, the New Orleans surgeon who was accused of murder in the wake of Hurricane Katrina. The decision by the Orleans Parish grand jury came just days after Dr. Pou sued the state attorney general over the case, and ends the year-long criminal investigation into Dr. Pou's performance at Memorial Medical Center immediately after the hurricane. Dr. Pou had been accused of giving four patients a "lethal cocktail" of painkillers and sedatives shortly before the sweltering hospital was evacuated. Dr. Pou's suit against State Attorney General Charles Foti accuses the attorney general of using the murder case against her to fuel his re-election campaign. The lawsuit also asks the court to force the state to defend Dr. Pou against wrongful death lawsuits filed by family members of three of the patients who died at Memorial.

—Jane Anderson

SCHIP Bills Await Action in House/Senate Conference

BY MARY ELLEN SCHNEIDER
New York Bureau

As Congress returns from its August recess, the fate of reauthorization of the State Children's Health Insurance Program as well as physician pay relief are both up in the air.

In a month's short time, a House/Senate conference committee must reconcile the vastly different bills passed by each house, and craft the legislation into something that might escape a promised presidential veto.

Before breaking for its August recess, the Senate overwhelmingly passed S. 1893, which includes a $35 billion increase for SCHIP. The funds would come from an increase in the federal tobacco tax.

The approved House legislation (H.R. 3162) calls for a $50 billion increase in funding and would pay for it with both increases in the federal tobacco tax and cuts to subsidies given to Medicare Advantage plans. The bill contains provisions unrelated to SCHIP, including a halt to next year's planned 10% cut in the Medicare physician fee schedule; instead, a 0.5% increase would be put in place for 2008 and another for 2009.

The American College of Physicians praised both the House and the Senate bills but said that the college would like to see final legislation that includes some of the Medicare provisions passed by the House, including the temporary pay fix for physicians.

The American Academy of Pediatrics also praised the bills and called on Congress to create a compromise bill that includes at least $50 billion in new federal funding for SCHIP. "While the $35 billion included in the Senate bill is a good start, it's not enough to cover the eligible but unenrolled children in SCHIP or Medicaid," AAP President Jay E. Berkelhamer said in a statement. AAP officials also praised provisions of the two bills that ease citizenship and identification documentation requirements and establish a pediatric quality measurement program.

Other medical professional societies called on Congress to craft a final piece of legislation that would include increased funding for SCHIP and the House provisions that halt Medicare cuts to physicians for the next 2 years.

Officials at the American Academy of Family Physicians favor a final bill that includes SCHIP funding that would cover as many children as possible, 2 years of positive updates to the Medicare physician fee schedule, and a commitment to fixing the sustainable growth rate formula, said Dr. Rick Kellerman, AAFP president.

Two years of positive updates are important, Dr. Kellerman said. Legislators are tired of physicians coming every year to Capitol Hill to talk about this issue.

The House bill also outlines a new physician payment structure under Medicare that would set a separate conversion factor for six service categories:

- ► Evaluation and management for primary care.
- ► Evaluation and management for other services.
- ► Imaging.
- ► Major procedures.
- ► Anesthesia services.
- ► Minor procedures.

The proposed formula would also take prescription drugs out of the spending targets and would take into account Medicare coverage decisions when setting targets, according to Rich Trachtman, American College of Physicians legislative affairs director.

But the formula would still lead to deep payment cuts starting in 2010, so there is an understanding among legislators and leaders in medicine that the updates for 2010 and beyond would require additional action, Mr. Trachtman said.

Dr. Edward Langston, board chair of the American Medical Association, said the House legislation is encouraging and shows a willingness to find alternatives to the SGR. But what the final formula will look like is still up in the air, he said.

But the American College of Cardiology expressed problems with the new structure for Medicare payments outlined in the House bill. The proposed payment structure would be based on a system of separate expenditure targets that ACC asserts would not take into account the appropriate growth in services, including many common cardiovascular services.

"While the ACC appreciates congressional efforts to stop Medicare physician payment cuts, it is critical that any new payment structure is fair to all physicians," the ACC said in a statement. "The ACC urges Congress to resolve this issue before any final legislation is passed."

The House bill also drew the ire of the insurance industry. America's Health Insurance Plans (AHIP) hailed the passage of the Senate legislation but is opposed to provisions in the House bill that would make cuts to the Medicare Advantage program. These cuts could result in more than 3 million seniors losing Medicare Advantage coverage and having to switch to fee-for-service Medicare, where they would likely pay higher out-of-pocket costs, according to the AHIP.

"The House bill shreds the safety net for millions of seniors who depend on Medicare Advantage," Karen Ignagni, AHIP president and CEO, said in a statement.

The House bill also includes some protections for Medicare beneficiaries. For example, the bill would codify protection for six drug classes under Medicare Part D. Starting in 2009, Medicare drug plans would be required to include all or substantially all Part D drugs in each of the following classes: anticonvulsants, antineoplastics, antiretrovirals, antidepressants, antipsychotics, and immunosuppressants.

The bill would also waive cost sharing for Medicare beneficiaries for certain preventive services including diabetes outpatient self-management training services, cardiovascular screening blood tests, diabetes screening tests, screening mammography, screening Pap smear and pelvic exam, and bone mass measurement. ■