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Medical Information Technology

Medicare Rewards E-Prescribing: What You Need To Know To Succeed

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E-prescribing – a prescriber's ability to electronically send an accurate, error-free and understandable prescription directly to a pharmacy from the point-of-care – is an important element in improving the quality of patient care. The inclusion of electronic prescribing in the Medicare Modernization Act (MMA) of 2003 gave momentum to the movement, and the July 2006 Institute of Medicine report on the role of e-prescribing in reducing medication errors has received widespread publicity, helping to build awareness of e-prescribing's role in enhancing patient safety. Developing the standards that will facilitate e-prescribing is one of the key action items in the governments plan to expedite the adoption of electronic medical records and build a national electronic health information infrastructure in the United States.

Section 132 of the AMA-backed Medicare Improvements for Patients and Providers Act (MIPPA) of 2008 (H.R. 6331) authorizes the Centers for Medicare & Medicaid Services (CMS) to pay a bonus to physicians for successful electronic prescribing (e-prescribing) beginning in 2009. In 2009 and 2010, physicians who successfully e-prescribe may receive a bonus payment of 2 percent of their overall Medicare reimbursement much as physicians who successfully reported measures (one of which addresses e-prescribing) in the Physician Quality Reporting Initiative (PQRI) were eligible to receive a 1.5 percent bonus in 2007 and 2008. The PQRI bonus for 2009 has been increased to 2 percent.

In 2011, however, the reward for e-prescribing will begin to phase out, while a penalty for not e-prescribing begins in 2012. The e-prescribing bonus payment will be 1 percent in 2011 and 2012, and 0.5 percent in 2013. The penalty for not e-prescribing will be a reduction in Medicare reimbursement by 1 percent in 2012, 1.5 percent in 2013, and 2 percent in 2014. Doctors who e-prescribe infrequently or who can demonstrate a hardship adopting e-prescribing might not be eligible for the bonus payments or penalties.

According to CMS, Medicare beneficiaries experience as many as 530,000 adverse drug events every year due in part to negative interactions with other medication or lack of information about

a patient's medical history. The e-prescribing initiative has been predicted to save Medicare \$156 million by avoiding adverse drug events. Congress already requires Part D drug plans to support e-prescribing and CMS has developed four e-prescribing standards: formulary and benefits, medication history, fill status, and National Provider Identifier (NPI).

See <http://www.cms.hhs.gov/EPrescribing>

CMS has also included an e-prescribing measure to be voluntarily reported in PQRI in 2008. To qualify to report PQRI Measure 125, the provider's e-prescribing system must generate a complete active medication list, select medications, print prescriptions, electronically transmit prescriptions, and conduct safety checks. It must also provide information about the availability of lower cost therapeutically appropriate alternatives (if any), formulary or tiered formulary medications, patient eligibility, and authorization requirements.

See <http://www.cms.hhs.gov/pqri>

It's important to note that physicians who e-prescribe could-combined with the 1.1 percent payment update in place for 2009 and 2 percent PQRI bonus-see a more than 5 percent positive payment update next year. The AMA is pressing Congress to provide financial incentives to physicians to facilitate wider adoption of e-prescribing and continues to advocate to Congress and the DEA that e-prescribing of controlled substances be permitted. E-prescribing holds great promise for improvements in patient safety and advances in care coordination. The AMA recognizes this potential and will continue to collaborate with all stakeholders and Congress toward the most effective, efficient adoption and implementation of e-prescribing systems.

Disclosure: The author is a practicing family physician, addiction specialist and computer consultant. In addition, he is a founder and managing partner of a medical IT company.

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