



Medicare: Issue of the Day

August 24, 2004

BETTER BENEFITS – MORE CHOICES

Good News about the Medicare Prescription Drug, Improvement and Modernization Act of 2003!

ELECTRONIC PRESCRIBING

Medication errors due to bad handwriting or other errors will be sharply reduced by the electronic prescribing provisions of the Medicare Modernization Act (MMA). The MMA's electronic prescribing section envisions a world where a doctor can write a prescription in a computer – possibly a hand-held device like a Palm Pilot – and electronically transmit that prescription to the patient's pharmacist, all at the push of a button. The Department of Health and Human Services (HHS) and its partners in this effort have already been working to accelerate the adoption of electronic prescribing tools.

- ❖ The MMA directs HHS to work with industry experts to establish national standards for electronic prescriptions. That way, doctors, hospitals and pharmacies across the country can be sure that their **computer systems are compatible and will work together seamlessly**. Beyond the basic drug name and dosage, the electronic prescribing standard will enable doctors and pharmacies to share a wealth of information, including:
 - Identifying what other medications the patient is currently taking so that the doctor and the pharmacist can be **on the alert for adverse drug interactions**.
 - Determining whether the prescribed drug is on the formulary of the patient's drug plan, or if the plan has tiered co-pays, whether the drug is preferred or non-preferred. That way, the doctor will know right there in the examining room whether a therapeutically appropriate switch to a different drug might save the patient some money. Providing this information directly to doctors is expected to cut down on the need for follow-up phone calls between pharmacists and doctors once the patient has reached the pharmacy counter.
- ❖ The MMA created a special role for the **National Committee on Vital and Health Statistics (NCVHS)**. NCVHS has begun the process of consulting with representatives of physician and pharmacist organizations, experts on electronic prescribing, and standard-setting organizations, among others, and is tasked with recommending electronic prescribing standards to the Secretary of HHS.
- ❖ Under the timeline established in the MMA, **electronic prescribing based upon national standards is to be mandatory for participating drug plans by 2009**, although CMS expects to mandate a starter set of well-established standards by January 2006. Electronic prescribing will be voluntary for physicians.
- ❖ NCVHS has accelerated its schedule to **submit initial recommendations to the Secretary in September 2004**, and CMS intends to follow up on those recommended standards quickly and issue a notice of proposed rulemaking for those standards that are already in widespread use and do not require to be pilot tested.
- ❖ In order to accelerate the next phase of standards adoption, CMS also plans to review programs already in operation to identify successful practices and standards that can be tested in pilot programs, characteristics that lead to successful electronic prescribing programs. These will be tested in the pilot programs required by the MMA, which CMS will conduct in 2006.

- ❖ In support of the first round of standards and the beginning of the Medicare drug benefit, CMS also will promulgate a rule that will propose an exception to the physician self-referral law that will **allow hospitals and medical practices to provide physicians with non-monetary remuneration for electronic prescribing** (i.e. hardware, software, services or training) and permit prescription drug plan sponsors and Medicare Advantage plans to provide pharmacies and pharmacists with similar non-monetary remuneration.
- ❖ The **MMA also authorizes the federal government to give grants to doctors to help them buy computers, software, and training to get ready for electronic prescribing.** The grants will cover up to half of the doctor's cost of converting to electronic prescribing, and they may be targeted to rural physicians and those who have a large share of Medicare patients.

Comments on the proposed regulations will be accepted until October 4, 2004. Comments should be submitted to the Centers for Medicare & Medicaid Services at www.cms.hhs.gov/regulations/ecomments