Perspectives and Updates on
Health Care Information Technology

HIT Perspectives Biopharma Insights

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About the newsletter

HIT Perspectives Biopharma Insights is published by Point-of-Care Partners. Individuals at the leading management consulting firm assist healthcare organizations in the evaluation, development and implementation of winning health information management strategies in a rapidly evolving electronic world. The team of accomplished healthcare consultants, core services and methodologies are focused on positioning organizations for success in the integrated, data-driven world of value-based care.

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POINT-OF-CARE PARTNERS
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1 Part 1: Improving ePrescribing as an Important Tool for Managed Markets

By Brian Bamberger, Life Sciences Practice Lead

The world of health care is rapidly changing due, in part, to the expanded use of electronic health record systems (EHRs) and integrated electronic prescribing (ePrescribing). Providers and payers — both key customers for managed markets (MM) groups in pharmaceutical companies — are finding ways to leverage technology for their advantage in improving quality and lowering costs. Providers increasingly are using EHRs to "write" ePrescriptions. In fact, more than two-thirds of all office-based physicians were ePrescribing in 2012, and analysts expect nearly all to be sending prescriptions electronically very soon. Payers increasingly are using ePrescribing to influence drug and brand utilization, which then directly affects the success of pharmaceutical and biotechnology products.

As a result, MM teams should look to ePrescribing as an important tool to reach beyond their sales contacts and provide physicians and payers with brand messaging to achieve return on investment (ROI). A major opportunity involves achieving the best formulary for ePrescribers with the fewest restrictions. Studies have shown that much of the value proposition for ePrescribing to providers and payers lies in providing formulary and benefit (F&B) information at the point of care. There is a direct connection to ROI for MM teams because formularies exert a powerful influence on prescribing decisions and medication utilization.

Managed markets groups establish formulary position through contracts with payers. How EHRs display formulary is determined by the data provided by the payer and pharmacy benefit manager. To enhance the value of formularies, several things must be done. First is improving the quality of the data. Poor-quality formulary data are useless to physicians, who often ignore this ePrescribing functionality because of perceived gaps or errors. Next, physicians will need to review prior authorizations in their formulary data to implement the newly approved electronic prior authorization (ePA) standard. (Click here to read more about the new ePA standard.)

Finally, formulary representation must be improved. Many people blame the sophistication of EHR applications in showing formulary data—or not showing formulary data, as the case may be. However, current research by Point-of-Care Partners (POCP) shows that the issue is more often related to the source data, which are missing the depth that the National Council for Prescription Drug Programs (NCPDP) formulary and benefit standard can include.

As a result, there will be increasing pressure to bring all formulary data up to the capabilities of the NCPDP F&B standard. These capabilities include:

- Putting formulary medications in a copay tier
- Having a dollar copay amount or percentage for each tier
- Having indicators for PA, step therapy and quantity limits

As nationally recognized experts in ePrescribing, ePA, health information exchange and the NCPDP F&B standard, POCP can help pharmaceutical and biotechnology clients understand the payer and health information technology landscapes. We can put these in perspective and help clients with strategic positioning to maximize market impact now and in the future. Let us put our knowledge and experience to use in the management of these and other transformational shifts in health care.

End of Article 1

- Payers covering telehealth services include most Medicaid programs; the military, which is expanding coverage (especially to address post-traumatic stress); and such private payers as Aetna, WellPoint, Cigna and Highmark, which are covering member cohorts beyond those in rural areas.

- Reimbursement typically is being extended to a wider range of specialties and services, including behavioral health services, cardiology, dermatology, infectious diseases, neurosurgery, pain management and orthopedic surgery.

- Despite the growing popularity of telehealth, harmonization across various jurisdictions is needed to address variations in licensure, data transmission requirements, the kinds of services that may be provided and in what venues. This could require legislation and agreement among such stakeholders as state boards of licensing, pharmacy, nursing and medicine as well as state insurance commissioners. It could happen sooner than later with impetus from the federal government. Defense health care providers are allowed to practice across state lines and a House bill proposes that Medicare providers be allowed to do likewise.

Electronic Prescribing of Controlled Substances gains momentum. Off to a slow and somewhat rocky start since it became legal at the federal level in 2010, electronic prescribing for controlled substances (EPCS) will become more mainstream in 2014.

- Pharmacies are ready and vendors are bringing compliant systems to market.

- Providers are getting over the shock of meeting the EPCS criteria set by the Drug Enforcement Administration and are beginning to come on board.

- EPCS uptake in 2014 will be significantly spurred by its perceived potential to curb fraud, diversion and abuse (such as overprescribing). To that end, New York is mandating electronic prescribing (ePrescribing) for all prescriptions, including controlled substances, effective March 27, 2015.

- Stakeholders, including CVS Caremark, are also calling for mandatory EPCS.

- Policy makers are taking up the EPCS cause. There is also congressional interest in making ePrescribing a requirement for coverage of controlled substances under Medicare Part D, which is a provision of H.R. 3392 — Medicare Part D Patient Safety and Drug Abuse Prevention Act of 2013. (Read more about EPCS in this issue of HIT Perspectives).

Big data is here. "Big data" is one of the big buzz words for 2014. Big data sets in health care aren't new. What's new is the increased appetite and ability to use health IT to analyze these data sets employing predictive analytics, and sharing data and results through the health IT infrastructure.

- Health analytics offers something for everyone

  - It has the potential of harvesting data in the EHRs used by 50% — soon-to-be 90% — of health care organizations in America.

  - It can be used by payers to create patient predictors and begin to recommend interventions to prevent emergency room visits and hospitalizations.

  - The advancement of technology and standards in this area enables normalization of claims and EHR data.

  - It can create more actionable, higher quality data for pharma to make product marketing decisions and offer more meaningful care recommendations at the point of care.

  - It can improve risk management and help maximize revenue.

- However, just because everyone is talking about big data doesn't mean that everyone can or will use it.

  - Predictive analytics in health care lag behind those in banking and retailing, for example, so there is a lot of catching up to be done.

  - Standards and better interoperability are needed to ensure the accuracy, security and privacy of the large data sets.

  - Innovations in health information exchange will be needed to share such data successfully among users.

POCP is looking forward to helping our clients — old and new — analyze these trends and develop strategic and tactical options to maximize opportunities and revenues. Let our nationally recognized team of experts make 2014 a memorable — and profitable —year for your organization.

2 Part 2: The Top 10 Health IT Trends for 2014

By Tony Schueth, Editor-in-Chief

As we anticipate spring, the Point-of-Care-Partners (POCP) Team is enthusiastic about opportunities for health care growth and innovation in 2014, which will be enabled by advances in health information technology (health IT). Here is a recap of our top trends for 2014.

Value-based care picks up more steam. Although this is not a new trend, we'll see continued acceleration in 2014 in the move away from fee-for-service to value-based payment that is enabled by health IT.

- One driver is the impact of accountable care organizations (ACOs), which numbered around 500 in 2013. For these ACOs to be sustainable, they must integrate their clinical and payment operations. This is a tall order and requires significant investment in health IT infrastructure.

- A second driver is Medicare payment policies, which continue to focus on use of health IT to create and report metrics for assorted pay-for-performance and value-based purchasing programs.

- One result is an increased focus on population health. At the same time, there are opportunities for care management applications to "pull" patients into the health care system and proactively manage high-risk patients through a range of health IT applications, including care registries, quality reporting, predictive analytics and patient self-management applications.

- Electronic health record (EHR) products currently don't do any of these functions very well, so innovators will step in to the fill the gaps with niche products.

Creating value beyond meaningful use. Implementing meaningful use (MU) stage 2 requirements is at the top of many lists in 2014. However, stakeholders are demanding value creation beyond what MU stage 2 requires.

- As the benefit/cost equation of MU stage 2 comes into clearer focus for providers and vendors, we'll see providers demanding that their vendors commit to 2014 certification and show a tangible return on investment (ROI).

- The latter will be measured in terms of improving operational efficiencies and moving the needle on quality measures. If vendors can't demonstrate ROI, providers will switch to those that can.

- Although providers will want to ensure they can continue to meet MU requirements, they will have an additional laser-like focus on capabilities needed from their integrated revenue cycle management (RCM)/EHR system to survive in a value-based payment world. This is especially true for independent physician organizations and community hospitals, which are seeing their future viability called into question.

Consolidation of the EHR vendor market. Consolidation in the vendor market is a given in 2014.

- It's clear that the herd will start to be culled, given that there are as many as 500 systems in the market.

- Government mandates, innovation and physicians' technology needs and expectations will influence who stays and who goes. The ability to meet MU stage 2 requirements is a must.

- Niche vendors — such as smaller players that can service a specialty really well, customize documentation and write interfaces to their equipment — will have staying power, as will vendors with integrated RCM/EHR systems.

- Roughly half of physician practices are expected to replace their EHRs in the near future. They will be looking for different functionalities this time around. The evolution toward value-based care and integrated delivery models is making new demands on the types of data needed for clinical care, quality improvement and payment and how those data must be exchanged and stored. Marketplace demands for lower total cost of ownership, interoperability and cloud-delivered technology also will influence who stays and who goes.

Pharmacists: Adding value in collaborative care. Pharmacists are uniquely positioned in the health care system to help optimize appropriate medication use and reduce medication-related problems.

- As a result, pharmacists in 2014 will continue to take on more

clinical roles through such collaborative efforts as participation in patient-centered medical homes and membership on ACO care teams.

- They will make use of new technologies to deliver such personalized care as telepharmacy and mobile health and to monitor outcomes and adherence.

- Pharmacists also will continue their central roles in medication therapy management (MTM), which will be facilitated by health IT. Integrated systems of care, such as ACOs, already view MTM — the more complex of which is performed by pharmacists — as essential to care delivery and to meet ACO quality and cost targets.

Electronic prior authorization gets off the ground. 2014 will be a formative year for electronic prior authorization (ePA).

- Last year brought to fruition a new ePA framework that was rolled into the SCRIPT standard from the National Council for Prescription Drug Programs (NCPDP).

- With that behind us, we will start to see uptake by payers and vendors. Payers will be adding basic systems that support text questions. Vendors will need to determine how to integrate ePA into work flows and information exchange. We are already seeing some traction, with three large EHRs going into production with a PA capability.

- That said, we expect that transaction volume will be light, at best, as things get off the ground.

Improving formulary data. More also needs to be done to make formulary and benefit information more accurate and useful. Currently, what is presented to prescribers is representative and normalized. It also contains gaps and inaccuracies, which serve as barriers to use. Payers will be working in 2014 to increase the quality of formulary data as problems come to light.

- The spotlight on insufficient formulary data lacking PA and tiers will drive improvements and more granular benefit information now that data volume is no longer an excuse to dumb down data.

- The lack of PA indicators in formulary data will cause frustration as ePA capabilities come online.

- The requirement to upgrade to NCPDP Formulary and Benefit 3.0 will also require changes to payer formulary data.

Patient engagement takes off. Patient engagement—spurred by demand, innovation and MU requirements — is expected to gain traction in 2014.

- Patient engagement is part of MU and should continue accelerating growth in this area. Patients will increasingly want to be engaged in their own health care in a bigger way and make decisions with their doctor. According to a recent study, 90% of people want to have a say in important decisions regarding their health care. A third would like to make a shared decision with their doctor, 43% want to make the final decision with some professional input, and 16% prefer to be completely in charge of their medical decisions.

- There will be a proliferation of applications (apps) for smartphones and tablets, increasing patient demand for them as well as the willingness of providers and payers to make use of these mobile technologies.

- Patient portals — connecting patients with payers and providers — will still be in play. These will become increasingly important as hospitals, health care professionals and their EHR vendors incorporate features to support the engagement of patients and their families, which is required by MU stage 2 and anticipated under MU stage 3.

- Government-sponsored initiatives also will spur patient engagement. The Office of the National Coordinator for Health Information Technology recently announced a new initiative — Person@Center — that aims to empower patients to take a more active role in their health through health IT. Blue Button — another government-sponsored innovation — is gaining interest as it provides an easy-to-use way for consumers to electronically access their health information.

- Blue Button already is being used by members of the military, Medicare beneficiaries, other federal agencies and many companies in the private sector, such as United HealthCare and Aetna.

- Blue Button + Direct, a technology standard, will be available in all MU-certified technology starting next winter. This means Blue Button will continue to spread among payers, providers and their Health IT vendors.

- While many of these innovations will work well for younger patients, there is still a digital divide that affects the elderly and many minorities. As a result, greater innovation is needed to help health IT reach these vulnerable and often underserved populations, which are costly to treat. Folding caregivers into the equation will be imperative.

Telehealth goes mainstream. Once rarely used, telehealth is among the biggest trends in 2014, allowing remote diagnosis, treatment and monitoring of patients through such electronic means as smartphones, tablets, video consultations and wearable self-monitoring devices.

- Drivers include growth in the number of payers willing to cover telehealth services and the expanded scope of reimbursable procedures.

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3 Part 3: Accelerating ePrescribing for Controlled Substances

By Michael Burger, Senior Consultant

Electronic prescribing (ePrescribing) now is the norm for most prescriptions, except those for controlled substances. In fact, electronic prescribing for controlled substances (EPCS) has gotten off to a slow and somewhat rocky start. Some consider EPCS to be the "last mile" in getting the nation wired to send and receive prescriptions electronically. But things are changing — and fast.

Recent metrics show significant progress in physician and pharmacy adoption of EPCS. Although the actual number of physicians using EPCS is relatively low (<4,000), the rate of uptake is rapidly accelerating. A DrFirst industry briefing notes a 428% increase in physician adoption of EPCS just in the latter half of 2012. There are now 11 electronic health record systems that are certified. Pharmacy enablement to accept EPCS appears to have grown to a point where some 21,000 pharmacies can now accept electronic prescriptions for controlled substances. (Surescripts lists 20 pharmacy systems and vendors that are certified to handle EPCS, including Walgreens, CVS and Rite-Aid).

Transaction volume rapidly is picking up. Surescripts now is averaging between 2,000 and 3,000 EPCS prescriptions per day. There have been a total of more than 430,000 controlled substance prescriptions transmitted electronically via Surescripts since August 2011. In Arizona, where Point-of-Care Partners (POCP) helped Arizona Health e-Connection (AzHeC) flood the state with "EPCS is legal" messaging, EPCS transactions increased more than 7-fold from less than 200 to nearly 16,000 in only seven months (May to December 2013). We saw these kinds of numbers in the early days of ePrescribing, when adoption really began to skyrocket.

In short: the momentum for EPCS adoption is growing. Why is EPCS adoption picking up steam? How can that trend be accelerated?

Adoption of EPCS should continue on its rapid trajectory due to several drivers. Some reveal market readiness while others reflect broader stakeholder needs.

- Vendors are ready. EPCS has finally bubbled to the top of vendors' to-do list, which was dominated for the past couple of years by development for meaningful use (MU) compliance and certification and the changeover to the International Classification of Diseases, 10th edition (ICD-10). Growing customer demand has answered the question vendors have been asking: If they built EPCS-compliant products, would anybody buy them? Those questions are resolving and vendors are now bringing EPCS-compliant products to market. Currently, Surescripts reports 11 vendors with EPCS-certified products. Wider availability of certified products will help drive volume as well as enable physicians meet the higher ePrescribing threshold for meaningful use stage 2.

- Pharmacies are ready. Pharmacy willingness to expand connectivity and become ready to receive ePrescriptions for controlled substances was a real barrier to EPCS adoption. That changed as big pharmacy chains began to go live with EPCS. In Arizona, for example, Walgreens activated all of its 250 stores for EPCS in August 2012. CVS brought all of its pharmacies online and trained its pharmacists in August 2013. Fry's and Safeway expect to be onboard in the next few months, which will enable nearly 90% of the pharmacies in the state for EPCS.

- EPCS is a tool to fight drug abuse and diversion. Drug abuse and diversion are at epidemic proportions, especially for Schedule II medications. To aid in the fight, stakeholders are increasingly calling for the end of paper prescriptions for controlled substances and demanding a move to EPCS. New York is leading the way, mandating ePrescribing for all prescriptions, including controlled substances, effective March 27, 2015. Stakeholders, including CVS Caremark, are also calling for mandatory EPCS. There is also congressional interest in making ePrescribing a requirement for coverage of controlled substances under Medicare Part D, which is a provision of H.R. 3392 — Medicare Part D Patient Safety and Drug Abuse Prevention Act of 2013.

- The rise of value-based care. America's health care system is gradually transforming to value-based systems of care and reimbursement. In a value- based model, participants will want EPCS to ensure a complete picture of patients' medications in order to better understand and control costs, manage risk, conduct medication reconciliation and improve care coordination. Although controlled substances account for less than 20% of all prescriptions, they largely represent treatments for the chronically ill —high-cost patients who are growing in number for all payers but will be a core group for accountable care organizations and other value-based systems. A more accurate accounting of the costs and use of controlled substances for the chronically ill will be a critical success factor.

With so many opportunities in place, it is clear why EPCS is gaining attention. However, there are still opportunities for improvement that can help move the dial even further in 2014.

- More education is needed. Despite the educational efforts of vendors and others, providers still have many misconceptions about EPCS. We realized this recently in Arizona, where POCP was engaged by the AzHeC to promote EPCS adoption (read about it in a recent blog). One eye-opening finding was that many physicians and pharmacists weren't aware that it was legal, even though that had been the case for more than a year. Through this engagement and others, we learned that providers are still mystified and overwhelmed about how to begin the EPCS process. Resolution of such misperceptions will ultimately drive adoption.

In the face of these challenges, there are many opportunities for stakeholders to step up educational efforts. ePrescribing vendors should view EPCS as an opportunity to assist their users with the identity-proofing process. Prescribers and their practice staff will also need training to become efficient with EPCS. More of these concerted efforts are needed to move the dial.

- Complete pharmacy connectivity. Although many chain pharmacies have EPCS-certified systems, there are many others that are not yet certified. It's one thing to have a certified system; it's another to actually accept electronic prescriptions for controlled substances and integrate them into the pharmacy work flow. EPCS adoption will happen more slowly for independent pharmacies. And specialty pharmacies still need to get wired and accommodate regular ePrescribing, much less EPCS.

- Reconcile discrepancies in state prescribing laws. Variations in state EPCS laws are problematic. Some states allow EPCS and some don't; some allow only certain schedules while others allow all schedules; some change the schedule of individual drugs from that defined by the Drug Enforcement Administration. Resolving differences in state laws would remove a great barrier to EPCS adoption and improve prescribers' work flow. Consistency of rules across all states will reassure prescribers that EPCS is allowed wherever they practice.

- Keep current with the laws and regulations. Electronic health record and ePrescribing system vendors need to stay ahead of ever-shifting legal, regulatory and board of pharmacy developments. This is necessary now more than ever to ensure the accuracy of their products and prevent creating unplanned emergency patches to address some new wrinkle of which they were unaware. Associations and other groups representing providers, medical specialties and pharmacies need to keep current so they can get the word out to their constituent groups and help prevent them from getting caught up in an enforcement action. (Click here for more information on Point-of-Care Partners' (POCP) ePrescribing law compendium, which is a major resource concerning ePrescribing and EPCS).

POCP has been involved with EPCS since ePrescribing was barely a notion in the minds of federal regulators. Let us put our long-term experience and up-to-date expertise to work for you.

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