



# CMS Electronic Prescribing Incentive Program

**AMA House of Delegates Interim Meeting**

**Steven Stack, MD: AMA Board of Trustees and Chair of HIT Advisory Group**  
**Amanda Ervin: Director - HIT Initiatives**

**November 9, 2008**





# What is the CMS eRx Incentive Program?



- Authorized by the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA)



- Similar to CMS' Physicians Quality Reporting Initiative (PQRI)



- Establishes financial incentives and penalties for electronically prescribing in many physician practices





# What are the financial incentives and penalties?

- Incentives

- 2009 and 2010: 2.0% of your total Medicare allowed charges
- 2011 and 2012: 1.0%
- 2013: 0.5%

- Penalties

- 2012: (-1%) of your total Medicare allowed charges
- 2013: (-1.5%)
- 2014+: (-2.0%)



# How can I determine if I am eligible for this incentive program?

- At least 10% of your total Medicare allowed charges are for services in the measure denominator
- Successfully report on at least 50% of applicable cases during the 2009 reporting period
- Use a qualified eRx system



# What is a qualified eRx system?

Must be able to:



- Generate a medication list
- Select medications, transmit prescriptions electronically using the applicable standards, and warn the prescriber of possible undesirable or unsafe situations
- Provide information on lower-cost, therapeutically-appropriate alternatives
- Provide information on formulary, patient eligibility, and authorization requirements received electronically from the patient's drug plan



# How exactly can I report this measure?

- Identify whether the encounter is an eligible e-prescribing event
  - See denominator codes
- If yes, include the appropriate G-code on the claim form
- Note: In 2009 the eRx measures is NOT a PQRI measure.



## For more information...



- [www.ama-assn.org/go/hit](http://www.ama-assn.org/go/hit)
- [www.cms.hhs.gov/pqri/03\\_EPrescribingIncentiveProgram.asp](http://www.cms.hhs.gov/pqri/03_EPrescribingIncentiveProgram.asp)





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## Physician Spotlight



Joel Young, MD

With help from United Physicians, a large physician organization, Dr. Joel Young and the rest of the physicians at the Rochester Center for Behavioral Medicine in Rochester Hills, Mich., implemented an electronic prescribing (e-prescribing) system. As medical director, Dr. Young knew it was time to bring e-prescribing into the practice. It is simply the direction medicine is taking—using technology to make the physician practice more efficient and effective. Similar to many physicians, though, he had concerns about the costs and finding the time to learn the system, in addition to keeping up with other demands of the practice. However, with the support from United Physicians, and the help and enthusiasm of executive director, Jaime Saal, M.A., Dr. Young and the practice made the transition.

The AMA recently spoke with Dr. Young and Jaime Saal about their e-prescribing experiences.

[Read the interview.](#)

[Physician Spotlight archive](#)

## New

[A clinician's guide to electronic prescribing](#) (PDF, 556KB)

[E-prescribing research executive summary](#) (PDF, 167KB)

[Top EMR contract questions](#) (PDF 90KB)

[Listen to the AMA Web conference: Financing EHR/EMR systems: Should your practice accept a donation?](#)

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[A guide for physicians](#) (PDF, 469KB)

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## Physician perception of electronic prescribing

### Current state of electronic prescribing

Over the past year, electronic prescribing, or e-prescribing, has been a focal point of the health information technology (HIT) industry. Few dispute that e-prescribing will help improve the safety, quality and efficiency of patient care, yet low adoption rates persist.

### Methodology

In April 2009 the American Medical Association (AMA) commissioned an independent market research firm to conduct an Internet survey of 1,000 physicians. The study was designed to quantify and prioritize physician experiences with and perceptions of e-prescribing. The AMA also intended to collect information that would provide a roadmap for overcoming e-prescribing challenges and thus increase adoption of the technology. The study was not intended to monitor adoption rates, but to understand how industry stakeholders could influence a widespread implementation of e-prescribing.

A representative sample comprising 5,081 physicians across all applicable specialties was asked to participate. A total of 1,542 responded, for a response rate of 30.3 percent.

To ensure a representative sample was studied, while focusing on practices with the highest prescribing concentration, quotas were used:

- 400 primary care physicians
- 175 specialists
- 25 ambulatory care physicians

It should be noted that the number of users versus responses that entered and completed the survey was not constrained; the quotas for both groups were allowed to fill naturally.

To provide an accurate representation of e-prescribing use, it also was important to identify "true" users. When asked initially, 45 percent reported using an e-prescribing system. After applying a stricter definition for e-prescribing (requiring that physicians actually submit their prescriptions electronically to the pharmacy), the number dropped to 22 percent.

### Key findings

#### Benefits and concerns

Perhaps the most revealing finding was that users of the technology were significantly more satisfied with the overall prescribing process than nonusers. Furthermore, users with e-prescribing functionality within an electronic medical record or electronic health record (EMR/EHR) system were significantly more satisfied than those with stand-alone e-prescribing systems. The survey found, however, that of the 63 percent who reported using an e-prescribing function that a part of an EMR/EHR system, more than half (58 percent) do not submit prescriptions electronically.

#### Type of electronic prescribing system



The top three e-prescribing benefits were: (1) reduce risk of medication errors, (2) streamline workflow for physicians and staff, and (3) streamline refill requests and authorization processes. These were ranked higher than such benefits as increase access to patient medication history, enable checks for drug interactions, drug allergies and contraindications, reduce and eliminate callbacks from pharmacies, and improve formulary adherence. Users ranked access to patient medication history a close fourth, higher than nonusers, who ranked that functionality sixth (see graph 3).

Additionally, nearly half (44 percent) of respondents wrote in other benefits they appreciated, including productivity improvement (e.g., save time, minimize paperwork, reduce staff and increase efficiency) and convenience (e.g., faster turnaround, fewer callbacks, fewer misplaced prescriptions and create accessible).

## HIT resources and activities

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1. The survey included hospital and physician office e-prescribing. The March 2009 survey of 1,000 physicians can be found here.



# For more information...



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A representative sample comprising 5,081 physicians across all applicable specialties was asked to participate. A total of 1,543 responded, for a response rate of 30.3 percent.

To ensure a representative sample was studied, while focusing on practices with the highest prescribing concentration, quotas were used:

- 800 primary care physicians
- 175 specialists
- 25 emergency room physicians

It should be noted that the number of open versus closed questions asked and completed the survey was not consistent; the quotas for both groups were allowed to fill naturally.

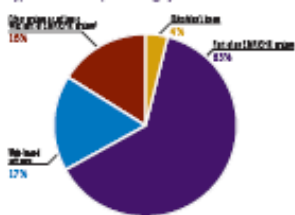
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Additionally, nearly half (46 percent) of respondents wrote in other benefits they appreciated, including productivity improvement (e.g., saves time, minimizes paperwork), reduce staff and increase efficiency and convenience (e.g., faster turnaround, fewer call-backs, fewer misplaced prescriptions and remote accessible).

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**A CLINICIAN'S GUIDE TO ELECTRONIC PRESCRIBING**

THE CENTER for Electronic Prescription Management  
A collaboration of providers, system integrators and pharmacies

HEALTH INITIATIVE  
Incl. Clin. Health

AMERICAN MEDICAL ASSOCIATION | AMERICAN ACADEMY OF FAMILY PHYSICIANS | ACP | MGMA

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eHI | 818 Connecticut Ave. N.W., Suite 500 | Washington, D.C. 20006  
[www.ehealthinitiative.org](http://www.ehealthinitiative.org)

CI 064 | 5971 Kingstowns Village Parkway, Suite 206 | Alexandria, VA. 22315  
[www.thedmm.org](http://www.thedmm.org)

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(PDF, 75KB)

1. This survey included hospitalists and physicians at the prescribing level. See 2008 State of ePrescribing survey results.