Subject: Integration of Drug Price Information into Electronic Medical Records/ Barriers to Price Transparency/Bidirectional Communication for EHR Software and Pharmacies/Health Plan, Pharmacy, Electronic Health Records Integration (Resolution 219-A-17; Resolution 213-I-17; Resolution 203-I-17; Resolution 205-I-17)

Presented by: Gerald E. Harmon, MD, Chair

Referred to: Reference Committee B (R. Dale Blasier, MD, Chair)

INTRODUCTION

At the 2017 Annual Meeting Resolution 219-A-17, “Integration of Drug Price Information into Electronic Medical Records,” was referred by the House of Delegates (HOD). Resolution 219-A-17 was introduced by the Medical Student Section and asks the American Medical Association (AMA) to support the incorporation of estimated patient out-of-pocket drug costs into electronic medical records (EMR) and collaborate with invested stakeholders, such as physician groups, EMR vendors, hospitals, insurers, and governing bodies to integrate estimated out-of-pocket drug costs into electronic medical records in order to reduce patient cost burden.

At the 2017 Interim Meeting, Resolution 213-I-17, “Barriers to Price Transparency,” was introduced by the American Academy of Dermatology, American Society of Dermatologic Surgery Association, American College of Mohs Surgery, American Society of Dermatopathology, and the Society for Investigative Dermatology. The third resolve of Resolution 213-I-17 was referred by the HOD and asks the AMA to support access to real-time prescription drug pricing and cost transparency at the point of prescribing.

Also at the 2017 Interim Meeting, Resolutions 203-I-17, “Bidirectional Communication for EHR Software and Pharmacies,” and 205-I-17, “Health Plan, Pharmacy, Electronic Health Records Integration,” were referred together.

Resolution 203-I-17 was introduced by the Medical Society of Virginia, the Kentucky Medical Association, the North Carolina Medical Society, the American Urological Association, and the American Association of Clinical Urologists. Resolution 203-I-17 asks the AMA to engage the American Pharmacy Association, and any other relevant stakeholders, to encourage both electronic health record (EHR) and pharmacy software vendors to have bidirectional communication for an accurate and current medication list in the patient’s EHR.

Resolution 205-I-17 was introduced by the Medical Society of Virginia, the Kentucky Medical Association, the American Urological Association, and the American Association of Clinical Urologists. Resolution 205-I-17 asks the AMA to advocate that health plans, pharmacies, and EHR vendors integrate their technology programs so that physicians have current and real time access to covered medications for patients within a specific health plan. Resolution 205-I-17 also requests...
that the AMA advocate that health plans make patient cost information readily available via this
technology so that physicians and their patients may work together to choose the most cost-
effective medically appropriate medication for patient care.

All resolutions were referred for report back at the 2018 Annual Meeting. As the referred resolves
in each resolution deal with components of a common issue, this report will address the topic as a
whole, and present recommendations accordingly.

BACKGROUND

Prescription drug costs in the United States are significant and rising. Some research shows the
patient out-of-pocket prescription costs are decreasing, although overall drug spending has
increased\(^1\) and approximately 25 percent of Americans who regularly take prescription medications
saw a price increase from 2016 to 2017.\(^2\) There is significant correlation between increased patient
prescription cost sharing and decreased medication adherence,\(^2,3\) suggesting an adverse effect on
patient outcomes.

Many physicians report not having access to drug price information at the point of prescribing,\(^4\)
often preventing them from sharing the information with the patient and gaining awareness of
whether a patient can afford the medication. Studies show increased physician awareness of drug
prices changes prescribing behavior and reduces overall medication expenditures.\(^5\) The AMA
recognizes that physicians can enhance patient-centered care by balancing costs and the potential
for patient adherence to prescriptions in their decision-making related to maximizing health
outcomes and quality of care for patients.

Improving drug price transparency would increase patient and physician awareness of the overall
costs associated with different prescription drug treatment options and ultimately facilitate better-
informed, shared treatment decisions that could help reduce prescription drug spending. Integrating
drug price information into EHRs would support point-of-prescription cost transparency that could
increase a physician’s ability to provide price information to patients. Although various barriers
have historically inhibited the provision of drug price information at the point of prescribing, key
stakeholders have taken significant steps in recent months towards overcoming these barriers and
implementing solutions.

AMA POLICY

The AMA is committed to working with federal and state agencies, policymakers and other
relevant stakeholders to identify and promote adoption of policies to address the already high and
escalating costs of generic prescription drugs (Policy H-110.988, “Controlling the Skyrocketing
Costs of Generic Prescription Drugs”). The AMA supports increasing physician awareness about
the cost of drugs prescribed for their patients (Policy H-110.996, “Cost of Prescription Drugs”),
and encourages physicians to become familiar with the cost of drugs in their communities and to
consider prescribing the least expensive drug treatment available (Policy H-110.997, “Cost of
Prescription Drugs”). The AMA emphasizes the importance of value-based decision-making in
health care, and the need for physicians to have easy access to and review the best available data
associated with costs at the point of decision-making, which necessitates cost data to be delivered
in a reasonable and useable manner by third-party payers and purchasers. AMA policy also asserts
that physicians should seek opportunities to improve their information technology infrastructures to
include new and innovative technologies, such as personal health records and other health
information technology initiatives, to facilitate increased access to needed and useable evidence
and information at the point of decision-making (Policy H-450.938, “Value-Based Decision-
Making in the Health Care System”). The AMA also encourages physicians to communicate information about the cost of their professional services, including prescriptions, to individual patients, and encourages EHR vendors to include features that assist in facilitating price transparency for physicians and patients (Policy D-155.987, “Price Transparency”).

The AMA is dedicated to actively engaging with health plans, public and private entities, and other stakeholder groups in their efforts to facilitate price and quality transparency, and helping ensure that entities promoting price transparency tools have processes in place to ensure the accuracy and relevance of the information they provide (Policy D-155.987, “Price Transparency”). It is AMA policy that in order to facilitate cost-conscious, informed market-based decision-making in health care, physicians, hospitals, and pharmacies should be required to make information readily available to consumers on fees/prices charged for frequently provided services, procedures, and products, prior to their provision. There should be a similar requirement that insurers make available in standard format information on the amount of payment provided toward each type of service identified as a covered benefit (Policy H-373.998, “Patient Information and Choice”). The AMA encourages implementation of practices that increase price transparency among other stakeholders, including pharmaceutical companies, pharmacy benefit managers and health insurance companies (Policy H-110.987, “Pharmaceutical Costs”). Additionally, the AMA advocates that pharmacies be required to list the full retail price of the prescription on the receipt along with the co-pay, and is committed to pursuing legislation requiring pharmacies to inform patients of the actual cash price as well as the formulary price of any medication prior to the purchase of the medication (Policy H-110.991, “Price of Medicine”). The AMA is also committed to working with EHR vendors to enhance transparency and establish processes to achieve data portability (Policy D-478.995, “National Health Information Technology”).

DISCUSSION

Lack of transparency in prescription drug pricing is a major contributor to the increasingly high prices of drugs. Prescription price transparency is an important factor in lowering patients’ out-of-pocket costs and preventing prescription abandonment, a common cause of medication non-adherence, which negatively impacts patient safety and costs an estimated $300 billion each year in avoidable medical spending.

Efforts can be made at multiple levels to improve the visibility of drug prices. For example, transparency of drug prices can be increased at the point-of-purchase level, when patients are interacting with the pharmacist to fill or refill a prescription. Historically, gag clauses in pharmacy benefit manager (PBM) contracts have prevented pharmacists in many states from informing consumers that the drug they want to purchase could be purchased at a lower cost if the consumer paid out of pocket rather than through their insurance plan. Some states are considering legislation, and several have passed laws, that ban restrictive gag clauses in PBM contracts with pharmacies. Eliminating these restrictions allows pharmacists the freedom to inform patients about the least expensive way to obtain the medication they have been prescribed.

At the point of prescribing, when a physician is discussing treatment options during a clinical visit, the price of a drug could be a deciding factor in whether the treatment is pursued; however, prescribers are largely unaware of the prices associated with the medications they prescribe and have difficulty estimating costs with accuracy. Some EHR platforms display limited high-level drug price information, such as co-pay tiers and dollar sign rating scales, giving a general estimate or range for the patient’s portion of a drug’s cost. These data are based on static “flat” files provided by PBMs to EHR vendors using the National Council for Prescription Drug Programs (NCPDP) Formulary and Benefit standard. This information is not always up to date or accurate,
however, since payers or PBMs may change a drug formulary or reclassify a particular prescription without the physician’s or patient’s knowledge and/or without providing updated formulary data to EHR vendors. This can further hinder the provision of accurate drug cost information to patients and physicians, presenting another opportunity for improved transparency.

Universally integrating real-time drug price information, along with improving the reliability and granularity of the currently available formulary and benefit information, into EHR systems would provide physicians with a more accurate estimate of a patient’s potential cost for a given medication. Since 2014, NCPDP has been working on a real-time pharmacy benefit check solution through the work of their Real-Time Benefit Check Analysis Task Group (more recently named the Real-Time Prescription Benefit Standard Task Group). This group’s goal is to develop an electronic standard for communicating real-time drug pricing information to physicians at the point-of-prescribing in EHR systems. Data points would include formulary status, tier structure, restrictions such as prior authorization and step therapy requirements, patient co-pays, and therapeutic alternatives that may be more affordable for the patient.¹¹

While NCPDP continues developing a real-time pharmacy benefit standard, vendors and PBMs are piloting this technology in proprietary formats. In 2017, Surescripts, six major EHR vendors including Allscripts, Cerner, GE, Epic, Practice Fusion and Aprima, along with CVS Health, partnered to deliver a system that provides prescribers with the cost of medications, specifically based on the patient’s insurance coverage, as well as other therapeutic treatment options to ensure the patient and physician can decide together the most appropriate and affordable course of treatment. This collaborative service is planned to be available in 2018. This development is an important step toward a sustainable solution; however, for it to be viable and universally beneficial the data must be available across all EHR vendors for all patients with all payer information.

There is mixed evidence on whether providing prescribers with cost information at the point of prescribing results in significant changes to prescribing behavior, overall costs, or improvements to medication adherence. One study showed evidence that providing physicians with information about drug prices increased generic prescribing and decreased orders for diagnostic tests, and that “gatekeeper” physicians reduced use of hospital and specialist services when regularly presented with prescription cost information.¹² Another study demonstrated that having access to the charges associated with patient care changed practice patterns and decreased patient charges, thereby improving cost containment efforts.¹³ An analysis of prescriptions and use of a point-of-care electronic drug reference database for over 125,000 U.S. physicians found that physicians using the database prescribed a significantly more diverse set of products, were faster to begin prescribing new generic drugs, and also had a greater propensity to prescribe generics. The researchers attributed this finding to the database users’ access to non-clinical information such as drug price and insurance formulary data.¹⁴

However, a separate study reviewed the total and out-of-pocket cost changes for diabetes patients whose physicians had access to drug formulary and price information and found that while the total drug costs increased at a lower rate, having access to the cost information did not reduce the patient out-of-pocket cost or increase medication adherence rates.¹⁵ Similarly, a study published in JAMA Internal Medicine demonstrated that displaying Medicare allowable fees for inpatient laboratory tests did not lead to a significant change in overall clinician ordering behavior or associated fees.¹⁶ Overall, researchers have found that while access to drug price and coverage data may influence prescriber decisions, providing price information alone is not enough and that more comprehensive approaches are in order. Some conclude that transparency in price is most beneficial when combined with education and an audit/feedback mechanism for prescribers.⁹ Others assert that prices for individual components of care provide an incomplete picture of the patient’s out-of-
pocket responsibility, and that seeing prices for episodes or bundles of care could allow patients
and physicians to assess value and treatment together.17

The issue of drug price transparency is one of great importance to the AMA and our current
advocacy efforts reflect our commitment to addressing the issue at the state and federal levels. The
Chair of the AMA Board of Trustees presented testimony at the December 2017 Energy and
Commerce hearing on drug pricing to ensure AMA’s position and the voice of physicians
continues to be represented. Another example of this work is the AMA’s interactive grassroots
website TruthinRx.org, which urges improved drug pricing transparency among pharmaceutical
manufacturers, pharmacy benefit managers, and health plans and offers patients the opportunity to
share their stories of how rising prices affect their physical and financial health. At the state level,
the AMA’s model legislation on drug pricing transparency seeks to provide patients with relevant,
accurate information about the manufacturing, production, advertising, and other associated costs
relating to prescription medications and institute consumer protections for sudden drug price
fluctuations.

The AMA’s advocacy efforts on prior authorization reform address the need for accurate formulary
data in EHRs. In January 2017 the AMA, in collaboration with 16 other organizations representing
physicians, hospitals, pharmacists, medical groups, and patients, released a set of 21 Prior
Authorization and Utilization Management Reform Principles. Of note is Principle 9, which states
“Utilization review entities should provide, and vendors should display, accurate, patient-specific,
and up-to-date formularies that include prior authorization and step therapy requirements in [EHR]
systems for purposes that include e-prescribing.” The AMA has used these principles to spur
conversations with health plans about “right-sizing” prior authorization programs. One outcome of
these discussions was the January 2018 release of the Consensus Statement on Improving the Prior
Authorization Process by the AMA, American Hospital Association, America’s Health Insurance
Plans, American Pharmacists Association, Blue Cross Blue Shield Association, and Medical Group
Management Association. The consensus document reflects an agreement between national
associations representing both providers and health plans on the need to reform prior authorization
programs in multiple ways, including advancing automation to improve transparency and
efficiency. Specifically, the consensus statement “[e]ncourage[s] the communication of up-to-date
prior authorization and step therapy requirements, coverage criteria and restrictions, drug tiers,
relative costs, and covered alternatives . . . to EHR, pharmacy system, and other vendors to
promote the accessibility of this information to health care providers at the point-of-care via
integration into ordering and dispensing technology interfaces.” This reflects the widespread
agreement among providers and health plans about the need for accurate drug pricing information
in EHRs.

The AMA is actively involved in standards development work and direct discussions with vendors
to improve formulary data technology. The AMA participates in meetings of the NCPDP’s Real-
Time Prescription Benefit Standard Task Group and the Formulary and Benefit Task Group to
ensure the physician voice is represented in the development of standards and solutions. The AMA
dedicates significant resources to improving usability, interoperability and value in EHRs.
Incorporating prescription drug price information into EHRs will enhance the AMA’s efforts to
increase the value and utility of these systems.

The AMA recognizes the need for more knowledge about the current availability and accessibility
of the features described in these resolutions, including EHR, pharmacy and payer functionalities
that enable integration of price, insurance coverage, formulary tier and drug utilization
management policies, and patient cost information. As a more robust knowledge base is obtained
as a result of private sector initiatives such as that of Surescripts and others, the AMA will
encourage collaboration with other vendors and other key stakeholders to develop a plan for improving the availability and accessibility of this important information to all physicians. This effort, along with our existing commitment to pursuing legislation to increase price transparency at the payer and pharmacy levels, would further the AMA’s strategic goals to reduce health care costs and improve health outcomes.

RECOMMENDATION

The Board of Trustees recommends that the following be adopted in lieu of Resolutions 219-A-17, 203-I-17, 205-I-17, and 213-I-17, and that the remainder of the report be filed.


2. That our AMA collaborate with other interested stakeholders to explore (a) current availability and accessibility of EHR, pharmacy and payer functionalities that enable integration of price, insurance coverage, formulary tier and drug utilization management policies, and patient cost information at the point of care, (b) at what levels barriers exist to this functionality or access, and (c) what is currently being done to address these barriers; (Directive to Take Action)

3. That our AMA collaborate with other interested stakeholders to develop and implement a strategic plan for improving the availability and accessibility of real-time prescription cost information at the point of care. (Directive to Take Action)

Fiscal note: Modest – Between $1,000 and $5,000
REFERENCES