RT4: The Role of Health Information Technology in Managed Care Pharmacy

Presentation at AMCP's 23rd Annual Meeting, April 29, 2011

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Agenda

- Introduction
- Federal Government influence on HIT
- HIT Opportunities in Managed Care Pharmacy
- Open Discussion of HIT Opportunities

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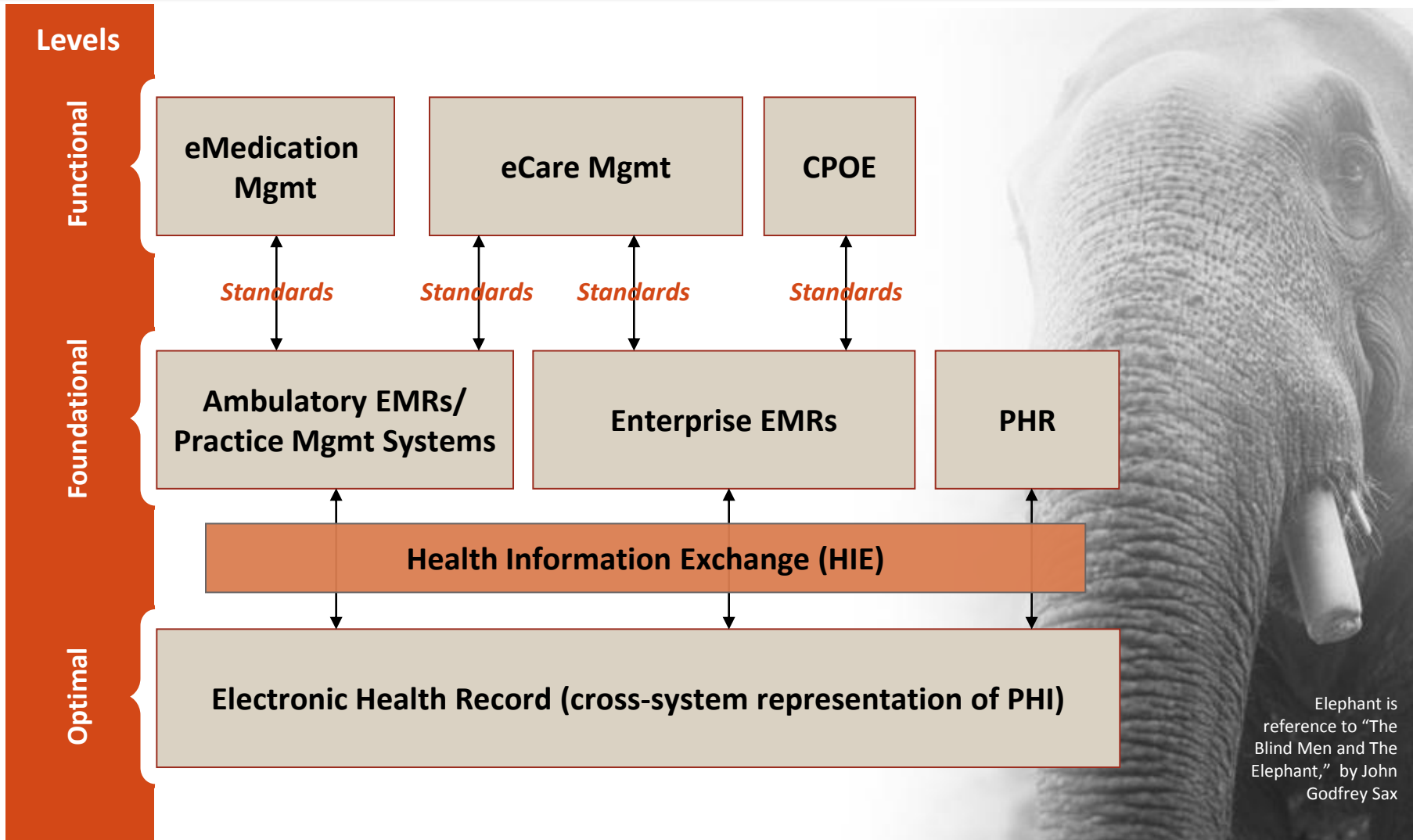HIT Strategy & Management Consultants
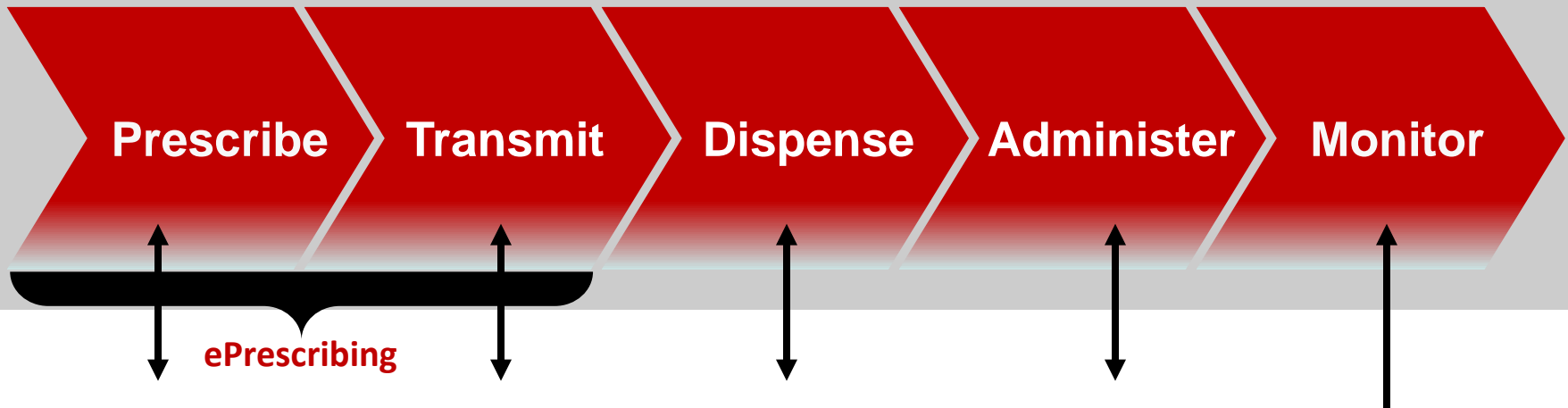
Health Information Technology Basics

- HIT encompasses a broad array of technologies involved in managing and sharing patient information electronically, including, but not limited to e-prescribing, CPOE, PMS and EMRs

- EMR ➡ EHR
  - the cornerstone of the modern physician's clinical practice.
  - in addition to clinical functions, they may also contain administrative and financial functions
  - EMR and EHR now used interchangeably. Only EHRs are capable of **interoperability** - the ability for diverse systems to exchange information

- PHR vs. EMR
  - Unlike an EMR and a PHR is controlled by, and can be edited by, the patient

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Health Information Technology Relationships

Levels

Functional

eMedication Mgmt	eCare Mgmt	CPOE

Standards   *Standards*   *Standards*   *Standards*

Foundational

Ambulatory EMRs/ Practice Mgmt Systems	Enterprise EMRs	PHR

Health Information Exchange (HIE)

Optimal

Electronic Health Record (cross-system representation of PHI)

Elephant is reference to "The Blind Men and The Elephant," by John Godfrey Sax

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ePrescribing is part of a process: eMedication Management

Prescribe → **Transmit** → **Dispense** → **Administer** → **Monitor**

ePrescribing

→Treatment Guidelines & Messaging
→Interactions & Contraindications
→Therapy Management
→Patient Compliance & Adherence
→Refills & Renewals
→Medication Reconciliation
→Safety Surveillance

Adapted from Bell et al 2004

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Patient Medical History · Problem List · Medication List · Allergies & Adverse Reactions · Patient Consents & Directives · ePrescribing · Clinical Documentation Management · Dx.Orders & Order Sets · **Ambulatory Electronic Health Record (EHR)** · Continuity of Care HIE · Results · Alerts & Reminders · Standard Care Plans, Guidelines, Protocols · Clinical Workflow/ Task Mgmt. · Interoperability
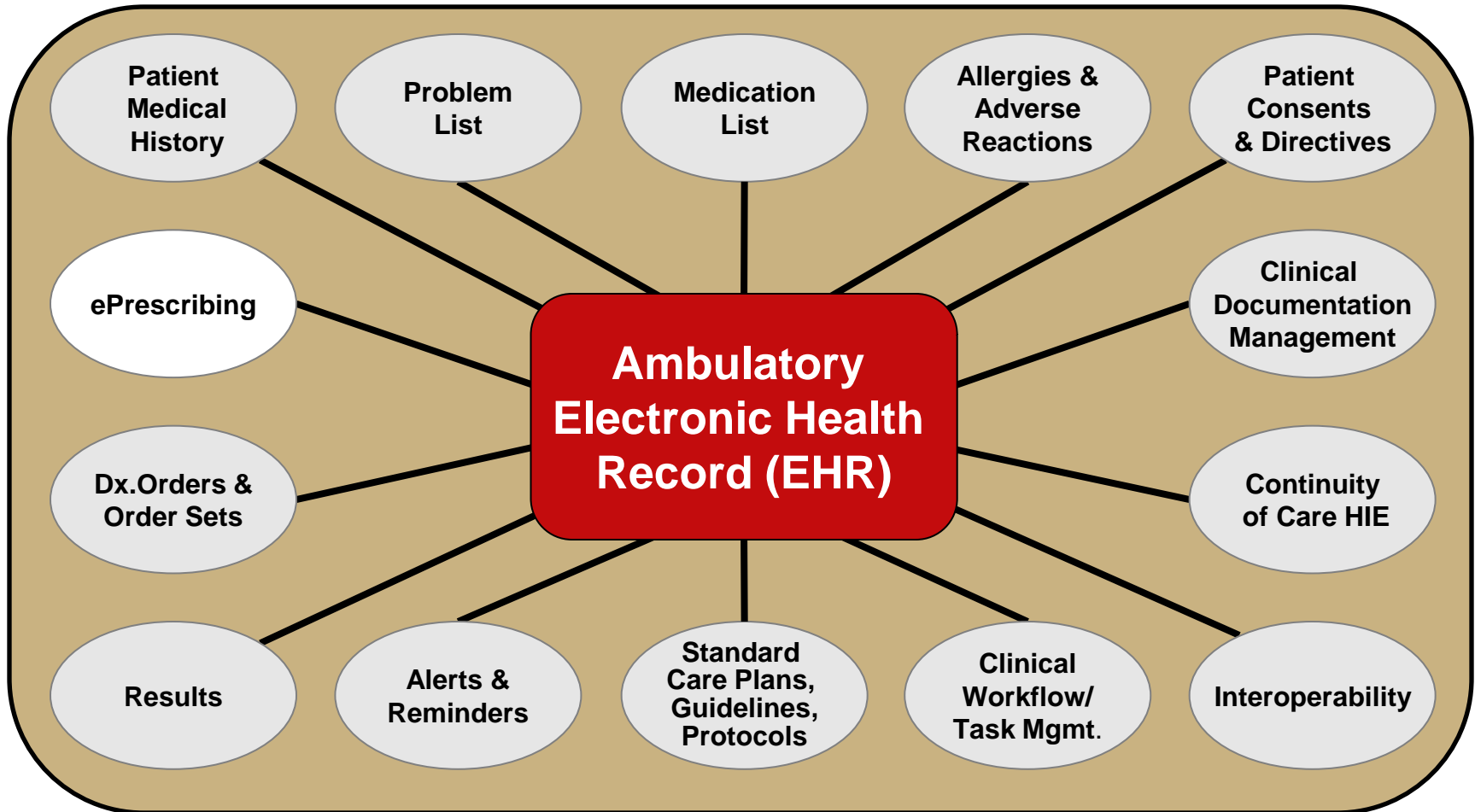
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As ePrescribing continues to grow, more and more ePrescribing will come from EMRs
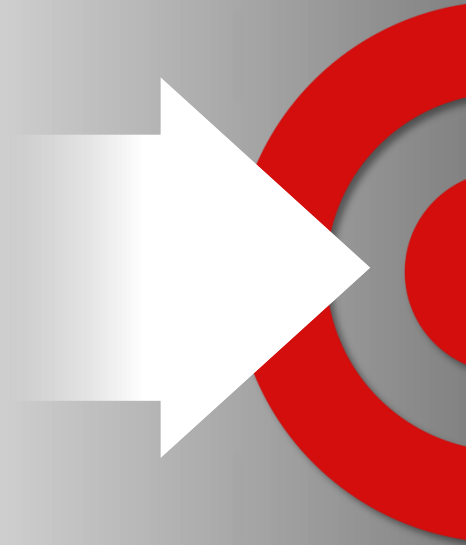
EMR Prescriptions as a Percentage of Total ePrescribing Volume
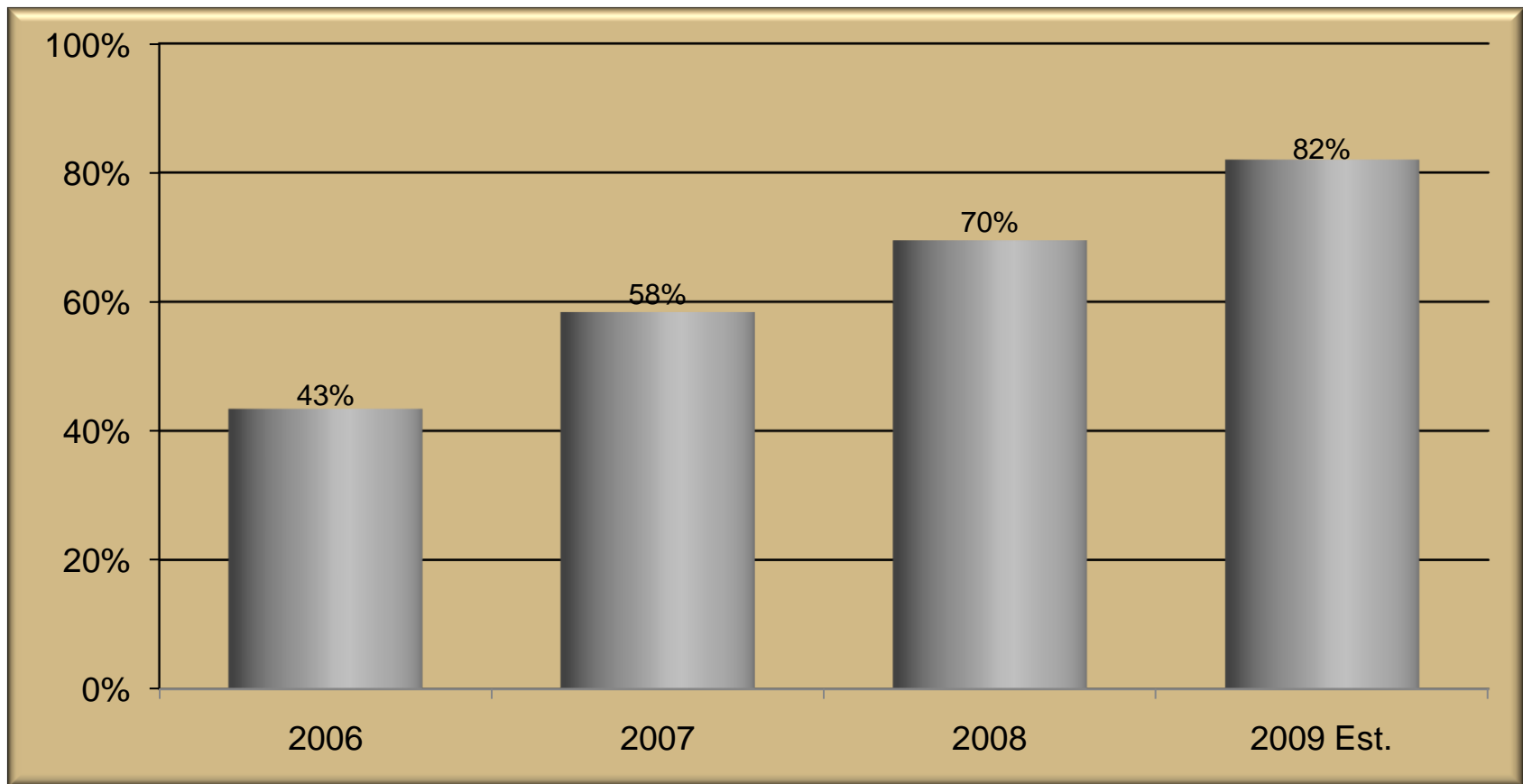
Source: 2009 Estimate from Harry Totonis World Research Group Presentation, September 2009

Federal Government Influence on HIT

The Government's influence on HIT is not new

HIPAA
Established transaction standards

MMA
Established Medicare Part D, ePrescribing standards and pilots

PQRI
Provides ePrescribing Incentives

MIPPA
Provides ePrescribing Incentives

Health Care Reform Acts
Establishes centers for outcomes research and healthcare innovation. Mandates MLR threshold and ACO pilots.

1995   **2000**   **2005**   **2010**   **2015**

The ARRA/HITECH era

Establishes incentives for Meaningful Use of EHR, funds Health Information Exchanges and Regional Extension Centers

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$27 Billion in ARRA incentives will spur adoption of HIT, especially EHRs and ePrescribing

Medicare Incentives

Certified Meaningful User	2010	2011	2012	2013	2014	2015	2016	Total Incentive
2011		$18,000	$12,000	$8,000	$4,000	$2,000		**$44,000**
2012			$18,000	$12,000	$8,000	$4,000	$2,000	**$44,000**
2013				$15,000	$12,000	$8,000	$4,000	**$39,000**
2014					$12,000	$8,000	$4,000	**$24,000**
2015+								**$ Penalties**

Medicaid Incentives

Cap on Net Average Allowable Costs, per the HITECH Act	85 percent Allowed for Eligible Professionals	Maximum Cumulative Incentive over 6-year Period
$25,000 in Year 1 for most professionals	$21,250	**$63,750**
$10,000 in Years 2-6 for most professionals	$8,500	
$16,667 in Year 1 for pediatricians with a minimum 20 percent patient volume, but less than 30 percent patient volume, Medicaid patients	$14,167	**$42,500**
$6,667 in Years 2-6 for pediatricians with a minimum 20 percent patient volume, but less than 30 percent patient volume, Medicaid patients	$5,667	

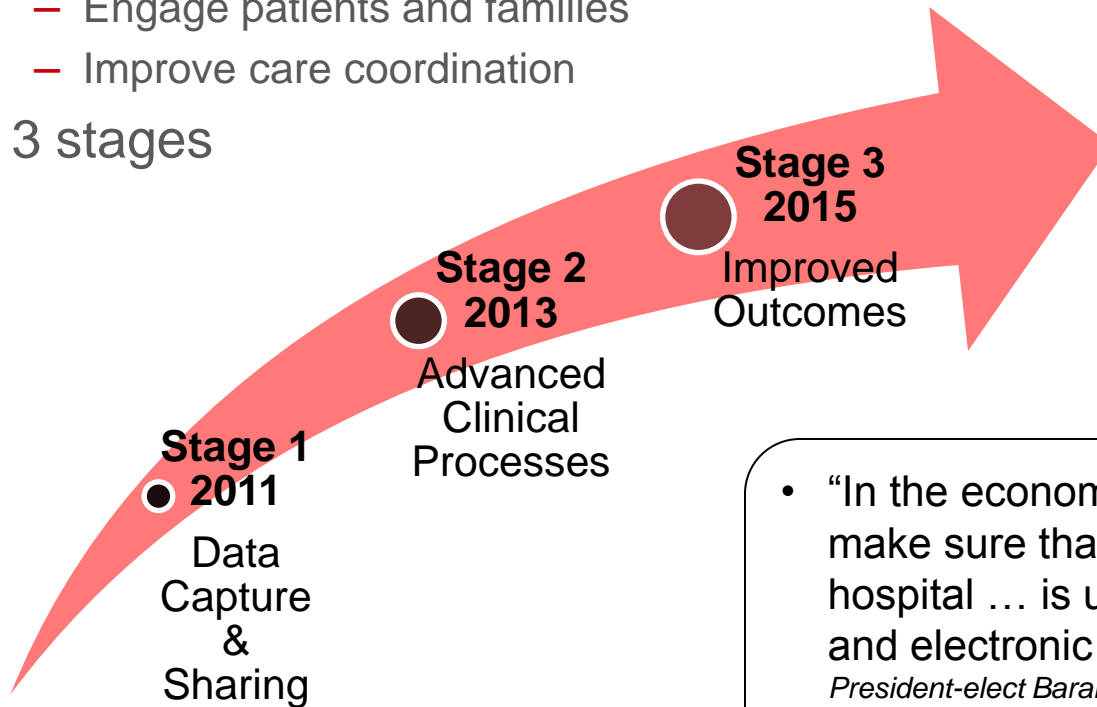POINT-OF-CARE PARTNERS
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HIT is a an integral part of the 5 public policy priorities for Meaningful Use

- 5 public policy priorities for Meaningful Use
  - Improve quality, safety, efficiency and reduce health disparities
  - Improve population and public health
  - Ensure adequate privacy and security protections for PHI
  - Engage patients and families
  - Improve care coordination

- 3 stages

Stage 1 2011
Data Capture & Sharing

Stage 2 2013
Advanced Clinical Processes

Stage 3 2015
Improved Outcomes

the "goal of meaningful use of an EHR is to enable significant and measurable improvements in population health through a transformed health care delivery system."

- "In the economic recovery plan … we'll make sure that every doctor's office and hospital … is using cutting edge technology and electronic medical records." *– remarks by President-elect Barak Obama Radio Address, December 6, 2008*

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HIT is also prominent in Health Reform

- Integrating meaningful use reporting with quality reporting
- Conducting a study examining methods to increase EHR usage
- Creation of Independence at Home demonstration practices, which will require electronic health systems
- Requiring the Center for Quality Improvement to align best practices with meaningful use standards
- Require the Center for Quality Improvement and Patient Safety to expand demonstration projects for improving the quality of children's healthcare and the use of HIT
- Bonus payments to MA plans that incorporate HIT to help manage and coordinate care for patients
- Grants to long-term care facilities to acquire EHRs
- Grants to include HIT training to primary care residents

Many investments in HIT will count towards the MLR

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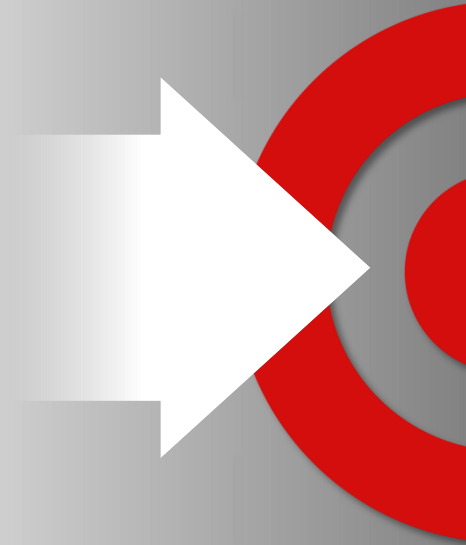# HIT Opportunities in Managed Care Pharmacy
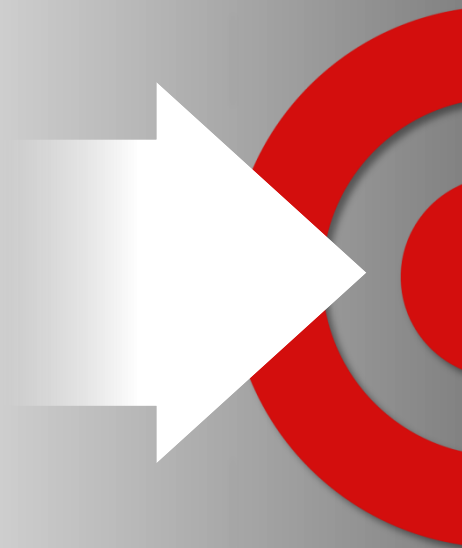
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HIT enables increased benefit management

- Increased opportunity for direct management during the ePrescribing process
  - Clinical decision support
  - Electronic prior authorization
  - eFormulary

- Increased opportunity to interact with patients and providers to increase adherence
  - Point of prescribing reminders
  - Patient directed reminders
    - Telehealth

- HIT is the underpinning as the underpinning for modern healthcare – medical home and ACOs

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Open Discussion of Opportunities

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