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STATE AND CONSUMERS AFFAIRS AGENCY
DEPARTMENT OF CONSUMER AFFAIRS
ARNOLD SCHWARZENEGGER, GOVERNOR

STATE BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS
SUMMIT on E-PRESCRIBING IN CALIFORNIA
MINUTES

DATE: November 20, 2008

LOCATION: Westin Los Angeles Airport Hotel
                     5400 West Century Boulevard
                     Lindberg A and B Meeting Rooms
                     Los Angeles, CA 90045

BOARD MEMBERS
PRESENT: Kenneth Schell, PharmD, President
                     D. Tim Dazé Esq., Vice President, Public Member
                     Shirley Wheat, Public Member
                     Andrea Zinder, Public Member
                     Stanley Weisser, RPh, Treasurer
                     James Burgard, Public Member
                     Robert Swart, PharmD

MEDICAL BOARD OF CALIFORNIA:
                     Richard Fantozzi, M.D., President
                     Gary Gitnick, M.D., Member

DENTAL BUREAU OF CALIFORNIA:
                     Suzanne McCormick, D.D.S., President

STAFF PRESENT: Virginia Herold, Executive Officer
                     Anne Sodergren, Assistant Executive Officer
                     Joshua Room, Deputy Attorney General
                     Kristy Schieldge, Senior Staff Counsel
                     Robert Ratcliff, Lead Supervising Inspector
                     Tina Thomas, Analyst

President Schell called the meeting to order at 9:30 a.m.

President Schell explained that today's informational meeting is hosted by the California
State Board of Pharmacy, and co-sponsored by the California Medical Board and
Dental Bureau of California, to foster the implementation of e-prescribing in California

among prescribers and pharmacies to improve patient care and prevent medication errors.

1. **Welcoming Remarks**

President Schell thanked everyone for attending the forum and recognized the professionals joining the panel from the Medical Board and the Dental Bureau of California. He pointed out the necessity of such a meeting, as it encompasses an issue of which those in attendance will be very involved with over the next few years and is a priority for public safety. He encouraged public comment.

Dr. Richard Fantozzi, M.D., President, Medical Board of California introduced himself and stated his appreciation for the invitation to attend and participate.

Suzanne McCormick, D.D.S., President, Dental Bureau of California, introduced herself. She stated that she is pleased to join the forum and to have the opportunity to assist in this important public protection topic. She added that she is looking forward to a lively discussion.

Greg Hurner (Deputy Secretary - State Consumer Services Agency) noted the forum as a historic event, having the Board of Pharmacy, Medical Board and Dental Bureau meet and come together on such a project. He stated that he appreciates the enthusiasm the boards have brought to the issue, as well as the speakers and panels attending to provide discussion. Mr. Hurner stated that the Governor is a strong supporter of using technology to create better lives for the citizens of California. The Governor has held two conferences this week, both heavily focused on using technology to address environmental issues and better the lives of citizens. Mr. Hurner stressed the potential benefit that E-prescribing has to consumers on a daily basis and emphasized the importance of today's discussion, with relation to successes over barriers, as well as cost savings for the consumers and the state. He noted, however, that E-prescribing is only one component of patient care and reminded the public to keep a focus on the larger picture in looking at things across the spectrum in health care in relation to improving the quality of care received.

The board members and professionals of the panel provided introductions.

2. **California Law Governing E-Prescribing – Joshua Room (Deputy Attorney General, Liason Counsel for the Board of Pharmacy)**

Mr. Room explained the purpose of his presentation, which is to describe the legal landscape of what is permitted in terms of E-prescribing. He provided a definition of E-prescribing and explained that, although California law has allowed e-prescribing on a voluntary basis for dangerous drugs and controlled substances for 14 years, the DEA (Drug Enforcement Administration) thus far does not permit e-prescribing of controlled substances by DEA registrants. Mr. Room reviewed general requirements as well as other enabling statutes and exceptions in relation to e-prescribing of controlled and non-

controlled substances. He stressed that California is awaiting DEA approval of e-prescribing of controlled substances, as the general allowance for e-prescribing of all drugs in California law is currently overridden by more specific limitations by the DEA. Such approval is now pending, with a comment period on a proposed rulemaking closed on September 25, 2008. Mr. Room noted that it is unclear if and when the rule will be finalized, however he stated that it is reasonable to expect federal mandate soon in relation to Medicare and Medicaid, minimally. He explained that federal and state incentives have been implemented as participation in e-prescribing is voluntary thus far. He reviewed proposed legislation by Governor Schwarzenegger (ABX1), which would require all prescribers, prescribers' agents and pharmacies to have the ability to transmit and receive e-prescriptions as well as give licensing boards the authority to enforce the requirement. Mr. Room concluded by stating that e-prescribing is expected to be mandatory soon at the state, and possibly federal level.

Public comment:

A member of the public asked if phone lines are considered electronic.

Mr. Room responded that it is not specified by California law, but stated that any technology that permits transmittal of data would be considered electronic. He clarified that oral prescriptions are currently separate and distinct from electronic prescriptions.

Sue Geranen (Veterinary Medical Board) asked if the Governor's proposal would include veterinarians.

Mr. Room responded that the expectation is that it would be, but it will be the decision of the Governor.

Harriett Sullivan (DVM) stated that she has never placed a prescription electronically, nor had a pharmacy advise her that she can place prescriptions electronically in the future. She noted that there is a big difference in electronic health records and electronic prescribing, and hopes that they are clearly distinguished within the policy. Additionally, Sullivan stated concern over the technology hurdles for small businesses in order to conduct e-prescribing, noting the various secure transactions already in existence for other services by simply using the internet.

Mr. Room responded that the Board of Pharmacy's comments are in line with her viewpoint.

Karen Shappell (Supervising Deputy Attorney General) asked how e-prescribing is affected when a patient's prescription is filled outside of California and sent by mail, as is sometimes the case based on insurance plans.

Mr. Room responded that he is not prepared to answer based on current knowledge and would rather not speculate.

Larry Drechsler noted that pharmacies do fill a large amount of veterinary prescriptions.

Mr. Room noted that it will ultimately be the decision of the Governor's office to decide whether prescriptions placed by veterinarians will be included.

Dr. McCormick asked what Mr. Room anticipates in terms of timing of the DEA's decision on Schedule II substances.

Mr. Room responded that he would not expect anything to happen before the middle of 2009, but his speculation is only based on historical review of prior legislation. He added that it would be best to look toward the next administration to take action.

3. **Presentation of the E-Prescribing Infrastructure - Kate Berry (SureScripts – RxHub)**

President Schell introduced Ms. Berry and provided a background on her expertise.

Ms. Berry provided a definition of e-prescribing as well as the specific routing process of a prescription from the physician/patient visit to the pharmacy. She provided national data of quarterly growth from 2004 through 2008 in terms of the number of e-prescribers, total e-prescription transactions, and number of pharmacies enabled for e-prescribing. Ms. Berry explained the challenge for smaller pharmacies who cannot invest in the cost for e-prescribing. She noted that there are currently over 100 software programs available to implement e-prescribing. She also provided statistics of the progress so far from 2003 to date on the percentage of prescribers and pharmacies participating.

Ms. Berry reviewed what has been working well thus far, including the industry's technical readiness, strategic understanding of its importance, and momentum and participation by key organizations. She reviewed current barriers, including individual understanding of the importance of its value, DEA regulations on controlled substances, and concerns regarding data sharing and variations and changes in state regulations.

Ms. Berry reviewed the benefits and importance of e-prescribing, with specifics of the time and money savings. She explained the cost savings on drug spending, including specific savings within the Henry Ford Health System and Blue Cross Blue Shield of Massachusetts.

Ms. Berry provided business cases which support the benefits of e-prescribing.

Ms. Berry reviewed the approaching deadlines for e-prescribing, including Medicare E-prescribing incentives, E-prescribing standards and the elimination of "fax exemption" for Medicare Part D.

Ms. Berry explained the projects that have been completed via The Center for Improving Medication Management, where they determined what the drivers of success are with "high users" as well as some of the challenges that "low users" struggle with.

Ms. Berry reviewed some of the communication resources that are very helpful to physicians and pharmacies in learning from best practices. She summarized next steps, including expanded transaction set and utilization, high value uses of pharmacy related data, and higher level healthcare interoperability.

Board comment:

President Schell asked about the feasibility of a web-based application program.

Ms. Berry responded that there are web-based e-prescribing systems available. She referred to their website for a list of vendors who can provide such applications.

Public Comment:

Melvin Snidman asked what the average charge is to retail pharmacies to process an e-prescribed script.

Ms. Berry responded that they charge 21.5 cents for an average script. She noted, however, that independent pharmacies would have a markup, which they would not have control over.

Mr. Snidman discussed the scenario of a customer needing a refill while on vacation. He asked if they would have to call and speak to a live person when on vacation, or if is there an option to have their prescription handled electronically.

Ms. Berry responded that if a prescriber is electronically prescribing, a patient would still need to call that prescriber. She noted that they would not be able to get e-prescribing conducted outside of United States.

Mr. Drechsler stated that he is a proponent of e-prescribing, and is finding it beneficial in his practice. He asked if formulary is on e-prescribing currently.

Ms. Berry responded that it is.

Mr. Drechsler stated that his pharmacy receives numerous e-prescriptions that are not on formulary, and noted that those cost the physician and pharmacy a significant amount of additional time to process. He stated that utilizing the formulary process would be beneficial as well. He asked if dosage guidelines are included.

Ms. Berry responded, in regards to the question of formulary, that they certify the vendors for multiple services. She stated that there is variation with how those vendors deploy the service, so the data may not always be displayed. She added that it is something that needs more collaboration to drive that message of importance and responded to the question regarding dosage, stating that software providers do have the features available.

Mr. Drechsler asked if e-prescribing will include the ability to indicate the purpose on the label.

Ms. Berry responded that the prescriber can place the purpose within the "Notes" field.

Dr. Larry Lovett asked for clarification on a previous comment relating to the elimination of fax transmission.

Mr. Room added that the "fax exemption" is a Medicare Part D requirement. He stated that, up until now, computer generated fax scripts are considered as electronic prescriptions for purposes of the Medicare Incentives. He explained, however, that by 2012, those scripts will not ne included.

Mr. Room noted that there is an e-prescribing conference occurring simultaneously with today's meeting, which is being held by the California Healthcare Foundation. Efforts were made to combine the meeting in some fashion, but it was not feasible.

Cooky Quandt stated that Long's pharmacies have had great success with prescribing using SureScripts. She indicated that issues lie with non-certified technology vendors that some prescribers are using. She asked how those vendors can become certified.

Ms. Berry responded that most players are certified, and would like to know which vendors are out there that are not certified. She added that it could be that the vendors are certified, but have not yet deployed the service in that particular practice.

Dr. Quandt responded that it may be a handful of prescribers who have the software installed prior to 2004 and that the vendors of that technology no longer exist.

A member of the public asked if Surescripts is prepared to be able to incorporate their services when and if a universal healthcare system occurs in the future.

Ms. Berry responded that e-prescribing is far enough along with a national infrastructure in place. She added that it is more about how to "fill in the gaps" and interface with other systems.

4. **Perspective of a Physician in Implementing E-Prescribing – David Campen, M.D. (Kaiser Permanente)**

President Schell introduced David Campen, M.D., and provided his background.

Dr. Campen began by explaining that Kaiser Permanente is an example of a healthcare system where an electronic medical record has been fully implemented successfully. He provided background on Kaiser Permanente at a national level, including the total prescriptions written and filled annually. He noted that nearly all of those prescriptions are done electronically.

Dr. Campen reviewed the benefits of e-prescribing within Kaiser. Dr. Campen also reviewed e-prescribing workflows which enhance patient safety and compliance, including:
- Physician Order Entry
- Medication verification
- Drug interaction checking
- Refill management
- Weight based dose checking

Dr. Campen provided a sample of a standardized order entry, and explained the process of medication review as well as the benefits within tracking of the prescriptions. He noted that the system is fully electronic, and that there are no faxes or transcription.

Dr. Campen emphasized Kaiser's complete support of the absolute need for e-prescribing. He reviewed specific features and benefits including improved monitoring, alerts, and structured order sets. He also provided an example of the process for filling refills electronically. Dr. Campen also discussed patient involvement via website access.

Dr. Campen reviewed some of the cautions with e-prescribing, including "alert fatigue", gaining provider acceptance, and the issue that not all e-prescribing systems are the same.

Dr. Campen concluded by summarizing the key points on e-prescribing. These points included the benefits of improved medication safety, the opportunity to strategically focus decision support, and support of safe prescribing across the continuum of care.

Board Comments:

Stan Weisser referred to the DEA requirements of controlled drugs, and asked how Kaiser addresses that.

Dr. Campen responded that, with regard to Schedule II drugs, the physicians have additional documentation to complete, which requires duplicate efforts.

Mr. Room explained that there is a two-step token identification protocol required within the DEA regulations. He asked if that will that involve a significant alteration to their system to incorporate.

Dr. Campen indicated that they provided an extensive commentary response to the DEA. He stated that, at this time, it would be a significant burden to comply with the additional security required. He added that they will wait for the DEA's final ruling on the proposed guidelines.

Mr. Room referred to refill requests and asked if they can be generated by the system without intervention by the pharmacy or pharmacist.

Dr. Campen provided an example scenario, and he explained that the prescriber receives an alert requesting reauthorization when there are no refills remaining.

Mr. Room clarified the question as to whether it is contingent upon a request being generated by a prescriber or patient.

Dr. Campen said that it is contingent upon that prompt, and stated that it is not recommended to have a prescription refill generated otherwise.

Mr. Weisser asked how common it is place the purpose on the label of the prescription.

Dr. Campen responded that the current prescription order system is a second rendition. He explained that the prior system was a stand-alone order where the frequency of putting an indication on the drug label was 20-30% range. Dr. Campen stated that, as of today, the current system does not have that capability, and noted that he is in support of having the indication included.

Public Comments:

There was discussion in relation to updates of the patient profiles as being an additional step that is needed. Dr. Campen explained that Kaiser's system is a 2-way system, which addresses the issue of updating the patient's history.

5. **Perspective of a MediCal Health Maintenance Organization Operating an E-Prescribing Pilot – Susan Leong (L.A. Health Care Plan)**

President Schell introduced Susan Leong, RPh, and provided her background.

Ms. Leong explained that L.A. Care conducted a pilot project on e-prescribing directed for the Medi-Cal members in Los Angeles County.

Ms. Leong provided background on L.A. Care Health Plan. She explained L.A. County's Plan Partner Model and listed the current four Plan Partners. She also explained that the California Department of Public Health Services manages a two-plan model in L.A. County, which includes both L.A. Care Health Plan and Health Net.

Ms. Leong shared the mission statement of L.A. Care. She also explained the objective of the pilot program and reviewed its potential benefits. She described the process of e-prescribing, from the physician sending the script, to the patient receiving the drug at the pharmacy. Ms. Leong explained the selection process of their e-prescribing vendor, Zix Corporation. She detailed the participating provider breakdown involved in the project and how they were recruited.

Ms. Leong explained that evaluations, in the form of a survey, were conducted on the participating providers both before and after the pilot program. She provided the results of the pilot program, including the survey responses which reflected positive feedback overall. Ms. Leong also reviewed barriers which arose during the pilot, including:
- Technical barriers
- Provider workflow and commitment issues
- Institutional support barriers
- Training

Ms. Leong reviewed additional implementation barriers, which included formularies not being updated or available and retail pharmacies being unable to process the e-prescriptions. Ms. Leong also discussed the cost for generating an e-prescription.

Ms. Leong concluded by stressing the need for motivation within the healthcare industry, as well as support within information technology and the community in order to make the system successful.

Board Comments:

Dr. McCormick referred to the implementation process and asked if they found it more challenging to work with the independent practitioners versus the larger healthcare organizations.

Ms. Leong responded that it was a combination of both. She noted that, in order to add the e-prescribing program, conversion software was needed to transfer the patient data. Some providers chose not to spend the money to provide that linkage.

Dr. McCormick asked about whether integrating the e-prescribing component created large challenges.

Ms. Leong stated that funding was provided for the hardware and software, but not for the cost of the conversion software she previously mentioned. She added that, if such funding cost was provided, the pilot would have most likely been more successful. She

noted that there were numerous moving components and it may have been difficult for L.A. Care to be able to see the big picture.

Dr. McCormick asked if there was one specific barrier that was more substantial than others.

Ms. Leong responded that the challenges varied by provider.

Public Comments:

A member of the public referenced whether there was a "common denominator" in terms of challenges. He stated that he felt the computer technology vendor chosen may not have been most suited for the program.

Supervising Inspector, Robert Ratcliff, asked Dr. Campen how much training prescribers go through for e-prescribing.

Dr. Campen stated that they incentivized providers to complete training. He gave a breakdown of training modules they send those providers to.

Public comment from John McCormick involved a request for clarification when a medical provider enters the L.A. County system, and asked if they are required to join one of the two Medi-Cal Plan models and whether they are subject to the same e-prescriber benefits.

Ms. Leong responded that they must be a Medi-Cal provider. She explained that the provider networks would then recruit, which is how a provider joins the network. Ms. Leong added that, with the adoption of Health Information Technology, L.A. Care has an incentive program in place for e-prescribing and Electronic Medical Records.

6. <u>Comments from Members of the Medical Board of California</u>

Dr. Fantozzi read language from Business & Professions Code § 2242. He stressed that a "good faith exam" and diagnosis is required, irrespective of the method used to prescribe a medication. He also noted the requirement to keep a record of every dangerous drug dispensed.

Dr. Gitnick discussed how the Medical Board can best use e-prescribing while ensuring patient protection. He commented that he now works in a paperless hospital and loves it. However, he also noted that hand-held devices and systems crash, and that people suffer when that happens. He stated that the need for back-up systems has not yet been discussed. Dr. Gitnick touched on other issues, such as endorsing e-prescribing across state lines while ensuring that a physician knows a patient and their medical

history. He stressed the need to also address the issue of having a proper infrastructure in place.

7. Comments of Representatives of the Dental Bureau of California

Dr. McCormick thanked the Board of Pharmacy for allowing the Dental Bureau to be included in the discussion. She stated that the barriers discussed during the forum will impact the dental community more, because the dental business model is a bit different than the medical business model in terms of contact with a patient when prescribing medication. She also stated concern over the technology needed with regards to the transition to e-records. Dr. McCormick stated that she shares these barriers for the purpose of awareness only.

8. Next Steps

President Schell stated that the Board of Pharmacy will continue to move forward to ensure the safety and security of the public. They will continue to reach out to the public and prescribers in order to ensure that they are heard and their concerns and challenges are being met. President Schell emphasized that the board meetings and forums are open to everyone to ensure all are heard and the best systems possible are implemented.

9. Public Comments for Items Not on the Agenda

Jim Jones (Hewlett Packard) reviewed the technology challenges as well as the opportunities in implementing an e-prescribing solution.

Mr. Jones provided history on the adoption of e-prescribing over the last few years, including prior initiatives sponsored by various entities. He explained the concept of a Digital Hospital and the reviewed the cost/benefit analysis of such a system. Mr. Jones concluded by providing additional benefits not yet mentioned by prior presenters.

Greg Sholmann (Gold Standard Informed Decisions) stated that their organization moved into the e-prescribing business five years ago. He stressed that the key to the success of e-prescribing is physician adoption. He added that by providing the equipment and training directly to the prescribers, e-prescribing will be implemented smoothly.

Dr. Larry Lovett stated that, as a practicing pharmacy, he is excited about the potential of e-prescribing and the improvement of patient outcomes. He stressed that e-prescribing will not take the place of pharmacist completing their due diligence. He added that E-prescribing is only as good as the information the prescriber enters into the system, including inputting data with allergies, indications for use, etc. Dr. Lovett

also shared concerns over the use of abbreviations, for example, because of the complacency which can occur.

The meeting was adjourned at 12:54 p.m.