



September 15, 2011

Malcolm J. Broussard
Executive Director
Louisiana Board of Pharmacy
Co-Chair
Legislative Workgroup on Electronic Prescribing
3388 Brentwood Dr.
Baton Rouge, LA 70809

Dear Mr. Broussard:

As the workgroup member appointed by the Louisiana Association of Health Plans to represent health plans, I am pleased to provide the following comments for incorporation in the report of the Legislative Workgroup on Electronic Prescribing.

Benefits of Electronic Prescribing

E-prescribing is endorsed by both government and private organizations because of the many benefits associated with the real-time electronic connectivity between clinicians and pharmacies. It is a key component of the Health Information Technology for Economic and Clinical Health Act (HITECH) and the Medicare Improvements for Patients and Providers Act (MIPPA) provides incentives for its use. These federal laws vigorously support e-prescribing and the numerous benefits it provides to the health care industry, including:

- Improvement in prescription accuracy
E-prescribing streamlines communications between pharmacies and physicians. It allows for a more efficient standardization of the prescription-writing process by transmitting the information over a secure, real-time, bi-directional system. Because electronic prescriptions flow directly to a pharmacy's prescription-filling software system, pharmacists are free from the burden of deciphering illegible, hand-written prescriptions, and are able to print labels and paperwork for the medication instantly.

- Increase in patient safety
According to the Agency for Healthcare Research and Quality, medication errors and adverse drug effects contribute to approximately 7,000 deaths a year. E-prescribing has the potential to eliminate many such errors by generating legible prescriptions that are cross-checked against the patient's electronic medication profile for possible harmful interactions.

- Reduction of costs
Because electronic prescribing allows a physician's office to work more efficiently, it frees up staff from routine office tasks and translates into lower operating costs. Studies have also shown that Pharmacy Benefits Managers (PBMs) and health plans benefit due to better formulary adherence, better drug utilization review, and fewer errors when the prescription claim is adjudicated. This improved plan performance can result in lower drug costs. Also, patients may be able to reduce their copayment expenses because prescribers have the patient's health plan or PBM formulary information available at the point of prescribing. This makes it easier for the prescriber to consider alternatives and discuss options directly with the patient.

- Improvement in overall quality
The convenience associated with electronic prescribing offers an improved experience for patients, physicians and pharmacists. It allows patients to arrive at a pharmacy and already have their prescription filled and waiting for them. Refills are also streamlined and processed faster. Physicians can review prescription information and requests anywhere using a hand-held device or remote computer, which allows them to view full patient medical histories, approve refills and integrate data with office billing systems. Prescriptions are more efficiently managed as they are checked for drug interactions and eligibility with a patient's insurance coverage.

Prior Authorization

Prior authorization (PA) programs are an important tool employed by health plans to ensure their members receive high quality, cost-effective health benefits. PA programs are used for drugs that have a high potential for misuse or inappropriate use (i.e, uses not approved by the FDA or for which adequate medical evidence does not exist.) Further, PA programs are implemented to reduce, waste, error and unnecessary prescription drug use and to ensure that, when appropriate, patients are treated first with lower cost, first-line agents before progressing to newer, higher cost therapies. The importance of these programs is greater today than in the past given that the FDA is approving more "large molecule" biotech ("specialty") drugs than the traditional, mass-produced "small molecule" products of yesteryear. For the foreseeable future, more than 50 percent of drugs in the pipeline are likely to be high-cost specialty drugs, most of which will be introduced into the marketplace in a price range of \$40,000 to \$100,000 per patient per year. Employers demand that PA programs be in place to ensure appropriate use of these high-cost, specialty medications.

Given that healthcare trends and employer demands will require the continuation and expansion of PA programs, we support a PA process that is administered in the most efficient manner possible, is fully compliant with statutory and regulatory requirements, and provides members, prescribers, and pharmacists with an evidence-based, rational process to promote appropriate drug use. We also believe that the integration of PA into e-prescribing technology will continue to evolve and is a logical next step. However, we believe, that any standardization of the prior authorization process through e-prescribing technology should be part of a national solution rather than being addressed on a state-by-state basis. We recommend that the market be allowed to generate innovation in this matter and that Louisiana work through national organizations that

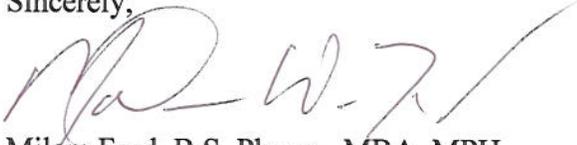
have a broader view of the subject. Further, we suggest that different recommendations or solutions may be needed for drugs administered by medical professionals (and that are provided under a medical benefit rather than a pharmacy benefit). Regardless, any decisions to change or standardize PA should not hinder its effectiveness or that of other tools used to contain health care costs.

Messaging

Communication between physicians and pharmacists is a key element of patient safety. In regard to any possible messaging restrictions, we believe any such provision should not interfere with a health plan's ability to provide meaningful information to physicians about alternative products or special procedures involved in prescribing and seeking coverage for prescription drugs. While we agree that pure advertising should be prohibited, there are instances when important information should be supplied by the insurer. Legal language should not prohibit health plans from alerting physicians to important information.

We hope that you will incorporate these recommendations in the workgroup's report on electronic prescribing. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Milam Ford', with a stylized flourish at the end.

Milam Ford, B.S. Pharm., MBA, MPH
Vice President, Pharmacy Services
Blue Cross and Blue Shield of Louisiana

cc: Malcolm J. Broussard