LAHP Louisiana Association of Health Plans

December 22, 2011

Robert Marier, MD
Executive Director
Louisiana State Board of Medical Examiners
Co-Chair
Legislative Workgroup on Electronic Prescribing
P.O. Box 30250
New Orleans, LA 70190

Dear Dr. Marier:

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 final report of the Legislative Workgroup on Electronic Prescribing.

- Page 4, Section II) B) 1) – We would like to make the following points regarding this section:
    - This section seems to focus more heavily on the growth in prior authorization (PA) programs and the perceived negatives of prior authorization. We recommend that this section educate the reader on the market forces that are causing the growth in PA programs and also highlight the positive aspects of PA programs. There are two market forces that are driving payers to increasingly adopt PA programs. First, in the last few years and looking forward through 2016 we have crossed a "patent cliff" where many heretofore blockbuster brand-name drugs are available as low cost generics for the first time because of expiring patents. On average, generic drugs cost 6-10 times less than the remaining brand products competing in that category and there is great competition being played out for physician influence between payers, governments, and patients who want lower cost drugs and branded manufacturers that want physicians to prescribe higher cost medications. The second market force that is driving payers to increasingly adopt PA programs is the shift from small molecule, mass produced compounds, to large molecule, "specialty" products made through biotechnology processes. For the foreseeable future, these specialty products will make up 50-75% of FDA approvals. These drugs cost an average of $40,000 to $100,000 per

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patient per year, have potential uses beyond their approved labels and the payer community, large group purchasers, and re-insurers are demanding that these costly agents are being used appropriately and for their intended uses. Further, this section should balance the negatives of PA programs with the positive results of making insurance premiums more affordable, reducing member out-of-pocket costs and helping those patients that struggle with the high copays associated with higher cost drugs become more adherent with their prescribed regimens when lower cost drugs are prescribed instead.

  - The first sentence of the last paragraph we recommend you specify to whom prior authorization is "….burdensome and costly," i.e., physicians? Also, the degree to which this is true should be described.
  - The last statement of the last paragraph implies that multiple telephone calls and facsimiles to the third party administrator is the rule rather than the exception. We do not believe this is the case and recommend this sentence be changed to state: "In some cases, drug prior authorization may require multiple telephone calls and facsimiles between the physician and/or pharmacy and a third party administrator to gain resolution."

- Page 4, Section II) B) 2) - on line 3, place period after "prescriptions" in lieu of comma and insert "However,"
- Page 5, Section III) A) 1) – We believe these benefits to be widely documented and accepted, thus recommend removing the phrase "at least in theory" or add "at least in theory" to the end of the sentence in III) A) 3) between "concerns" and "about".
- Page 5, Section III) A) 1) - We recommend adding a subsection "d)" that states: The benefits of e-prescribing have been recognized by the Federal Government which passed two pieces of legislation that provide prescribers incentives to adopt e-prescribing. Those laws are: The Health Information Technology for Economic and Clinical Health (HITECH) Act and the Medicare Improvements for Patients and Providers Act (MIPPA).
- Page 5, Section III) A) 2) a) – This statement leads the reader to believe that there is no standardization with respect to e-prescribing which is not accurate. There is standardization in terms of rules and technology established by Surescripts and NCPDP. Recommend clarifying where the lack of standardization exists.
- Page 5, Section III) A) 3) a) –This statement should provide the reader a more balanced and accurate assessment of e-prescribing safety and thus we recommend replacing with the following: The benefits gained by preventing dispensing errors caused from incorrectly interpreting illegible handwriting is greater than the potential errors that can occur by the physician when selecting the drug/dose/instruction from drop down lists.
- Page 6, Section III) A) 3) b) – We recommend this statement be struck as we do not agree that e-prescribing increases costs to insurers and patients. In fact, studies suggest that overall errors are reduced and physicians are more likely to choose a lower cost generic or formulary brand medication for the patient.

- Page 6, Section III) A) 4) - Change "eQhealth" to "eQHealth Solutions".
- Page 6, Section III) A) 6) a) – Recommend detailing reasons why national rather than state standards should continue to evolve for e-Prescribing. Reasons should include:
    - So that computer systems used by different practitioners, dispensers, payers, vendors and others have a uniform technology platform on which to communicate.
    - Ensure that the standards development process can continue to happen organically through organizations with expertise in this area such as the National Council of Prescription Drug Programs (NCPDP), without the pressures of looming legislative mandates that could impede or otherwise create contradictory requirements.
    - Adoption of national standards is important so that healthcare providers and entities are not faced with accommodating multiple and potentially conflicting technology standards depending upon the state that they are in.

  (Note: reasons above adapted from NACDS comments provided to the Legislative Workgroup on Electronic Prescribing dated 9/20/11 and attached to the SR-81 draft report appendices)
- Page 6, Section III) A) 6) c) – We agree that advertising products should not be permitted in e-prescribing systems. However we believe this statement is worth qualifying to state that any prohibition on advertising shall not interfere with a payer's ability to provide messaging that alerts the physician to lower cost alternatives or provides information on coverage requirements (e.g., prior authorization, step therapy, and/or quantity limit information)
- Page 6, Section III) B) – Change section heading from "e-Prior Authorization" to "Prior Authorization" since the comments in this section pertain to prior authorization in general and not specifically to e-prior authorization as clearly stated in Section III) B) 5).
- Page 6, Section III) B) 2) – We believe the purpose of this statement is to highlight why payers institute prior authorization programs. We recommend replacing the existing statement with: "Prior Authorization programs are implemented by private insurers, state Medicaid programs, and Federal Medicare programs to make health insurance premiums more affordable and ease budgetary impacts of prescription drug programs by reducing waste, investigational drug use and ensuring that, when appropriate, patients are treated first with lower cost, first-line agents before progressing to newer, higher cost therapies."
- Page 7, Section III) B) 4) – This was not discussed by the work group and is not related to e-prescribing. We recommend that this statement be struck.
- Page 7, Section III) B) 5) – We recommend removing this statement as the updated heading will make clear that these comments pertain to "Prior Authorization" and not "e-Prior Authorization". We envision that Section III) B) will have 3 statements with the second statement edited as recommended above.
- Page 7 – Create new section heading: III) C) "e-Prior Authorization" – Recommend moving III) B) 6) from current draft to become III) C) 1).
- Page 7, IV) A) - Qualify statement by communicating that any prohibition on advertising shall not interfere with a payer's ability to provide messaging that alerts the physician to

lower cost alternatives or provides information on coverage requirements (e.g., prior authorization, step therapy, and/or quantity limit information).

- Page 7, IV) C) - The proposed workgroup recommendation is in direct conflict with recommendation IV) B). We recommend updating to be in agreement with IV) B) that the standardization of PA forms should evolve nationally.
- Page 7, IV) E) – Recommend inserting the word "specific" between "select" and "medications".

Thank you for your consideration of these proposed changes to the draft report. If there is not concurrence on these recommendations, we urge you to issue an interim report to satisfy the legislative deadline and to schedule a meeting of the workgroup to discuss issues before issuing a final report.

Thank you for your consideration and the opportunity to comment.

Sincerely,

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Vice President, Pharmacy Services
Blue Cross and Blue Shield of Louisiana

cc: Malcolm J Broussard
Executive Director
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Gil Dupré
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