



January 27, 2012

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Executive Director
Louisiana State Board of Medical Examiners
Co-Chair
Legislative Workgroup on Electronic Prescribing
P.O. Box 30250
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Dear Dr. Marier:

Thank you for this opportunity to expand upon the direction of this report through additional comments. In general, LAHP supports the report's findings and recommendations; however, we would like to make three points:

1. Prior authorization programs are implemented by private and public (Medicaid and Medicare) insurers to maximize positive outcomes and reduce costs to payers, governments, employers, and patients by ensuring that when appropriate patients are treated first with lower cost, first-line therapies before progressing to newer, higher cost or experimental therapies. 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 provider influence between payers, governments, and patients who want lower cost drugs and branded manufacturers that want providers 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 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.
2. Because prior authorization is a valuable tool used by insurers to ensure their members have access to safe, affordable care and because market forces are likely to encourage the

growth of prior authorization services, it is particularly important that electronic prior authorization standards evolve nationally without imposition of standards at the state level.

3. LAHP supports the position of prohibiting advertising in electronic medical records, electronic prescribing systems and electronic prior authorization systems. Additionally, LAHP supports the position that a prohibition on advertising should not prohibit a payer from showing the prescriber coverage information. The Committee discussed that coverage information includes any drug coverage requirements such as prior authorizations, step therapy, quantity limits, in addition to formulary alternative information. So, to the extent that developed national standards allow payers to insert comments regarding coverage information, it is beneficial to patients, providers, and payers if providers are alerted to all coverage requirements including lower cost formulary alternatives at the point of care.

Thank you for your consideration and the opportunity to provide comment on the report written by the Legislative Workgroup on Electronic Prescribing and Electronic Prior Authorization.

Sincerely,

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

cc: Malcolm J Broussard
Executive Director
Louisiana Board of Pharmacy

Gil Dupré
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