



NATIONAL ASSOCIATION OF
CHAIN DRUG STORES

September 20, 2011

TO: Legislative Workgroup on Electronic Prescribing

FROM: Mary Staples

RE: Senate Resolution 81/House Resolution 108 - Electronic Prescribing Prior Authorization Standards

On behalf of the approximately 582 chain pharmacies operating in the State of Louisiana, the National Association of Chain Drug Stores (NACDS)¹ is writing to submit comments on the provisions within Senate Resolution 81/ House Resolution 108 (SR81/HR108) which direct the Legislative Workgroup on Electronic Prescribing to study and make recommendations on a standardized prior authorization process and adoption of a universal prior authorization form to be made available for electronic use.

Stakeholders, including healthcare providers, third party payers and others, recognize the value of an electronic prior authorization (ePA) process. Over the years, stakeholders have made several good-faith efforts to work collaboratively through the National Council of Prescription Drug Programs (NCPDP) to create a standard for ePA. Development of such a standard is a necessary first step so that the computer systems used by different practitioners, dispensers, payers, vendors, and others have a uniform technology platform on which to communicate. However, these efforts have not yet yielded satisfactory results. Stakeholders continue to work through NCPDP towards creation of an appropriate and workable ePA standard.

Chain pharmacy believes that continuing to work through NCPDP to develop a workable ePA standard is the most appropriate approach. NCPDP, which has the technological expertise and years of experience in developing pharmacy specific standards, is the most appropriate entity to facilitate this process. Moreover, working through NCPDP will ensure that the standards development process can happen organically, without the pressures of looming legislative mandates that could impede or otherwise create contradictory requirements. Additionally, the work being done by NCPDP will result in the creation of a national standard that can be used by stakeholders who operate throughout the country. This 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.

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Developing and appropriately implementing an ePA standard that is well-designed and workable with all stakeholders' technology systems will take time. Adequate time is

needed for stakeholders to identify and work through any technology issues in their systems and to conduct any necessary testing associated with implementation of a new standard. We urge the members of the Legislative Workgroup on Electronic Prescribing to be mindful of this, and the work being done by NCPDP on this matter, as the group works to develop recommendations to the legislature on ePA.

If it is the consensus of the Legislative Workgroup on Electronic Prescribing that legislative language on ePA is necessary, we would suggest the following would be appropriate:

“Any electronic prescribing device that facilitates electronic prior authorization shall do so in accordance with standards for electronic prior authorization that are developed by the National Council for Prescription Drug Programs.”

NACDS thanks you for your consideration of our comments. I look forward to working with you on developing recommendations for the report to the Legislature.

¹ The National Association of Chain Drug Stores (NACDS) represents traditional drug stores, supermarkets, and mass merchants with pharmacies – from regional chains with four stores to national companies. Chains operate more than 40,000 pharmacies and employ more than 3.5 million employees, including 130,000 pharmacists. They fill over 2.6 billion prescriptions annually, which is more than 72 percent of annual prescriptions in the United States. The total economic impact of all retail stores with pharmacies transcends their \$900 billion in annual sales. Every \$1 spent in these stores creates a ripple effect of \$1.81 in other industries, for a total economic impact of \$1.76 trillion, equal to 12 percent of GDP. For more information about NACDS, visit www.NACDS.org.