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## **Electronic Prescribing (eRx) 2008 ISSUE BRIEF**

### **Issue**

E-prescribing, or the transmission and receipt of prescriptions through electronic means, has the potential to improve patient safety by reducing the incidence of medication errors and reducing costs to the Federal government. Currently only a small percentage of prescriptions written in the United States are done in the electronic format, despite general acceptance of this idea.

### **Background**

E-prescribing is a system that enables prescribing clinicians to deliver prescriptions via computer immediately from the point of care directly to the patient's pharmacy of choice. In addition to this efficient and accurate prescription delivery function, e-prescribing improves patient safety through warnings to the prescribing clinician about adverse drug interactions, allergies, and previous medication history. E-prescribing systems can also provide information on insurance eligibility status, prescription fill status notification, and prescription renewal capability, all of which can save time and money for all parties involved in the transaction. Drug Enforcement Agency (DEA) regulations currently do not permit e-prescribing of controlled substances.

In its report entitled "Preventing Medication Errors," (July 2006), the Institute of Medicine (IOM) stated that e-prescribing has the potential to dramatically reduce the numbers of preventable medication errors that occur each year that can result in unnecessary hospitalizations, or even death, and recommended nationwide adoption by 2010. Despite clear safety and cost advantages, reports state that fewer than 10 percent of all physicians in the United States use e-prescribing systems.

### **Position**

AMGA supports H.R. 4296 and S. 2408 which provide incentive payments for physicians that e-prescribe. AMGA supports this legislation because it has the potential to improve patient care and generate significant savings. Controlled substances should be included in e-prescribing and AMGA urges support for enabling regulatory or statutory changes.

With proper alignment of incentives in Medicare and with the reasonable passage of time, the Federal government could stimulate considerable growth in the application of e-prescribing. AMGA supports payments for all who currently use or adopt e-prescribing systems. We support the position that broader adoption of e-prescribing in Medicare could be accomplished by offering annual incentives for participating physicians equal to 1 percent of their allowed Medicare payments.

There are concerns from other segments of organized medicine that there is a lack of consistent standards for e-prescribing, however, the Medicare uniform e-prescribing standards currently in place provide a framework for e-prescribing activities and will evolve over time.

**We Ask Congress To**

Include H.R. 4296 and S. 2408 in Medicare legislation in 2008. This legislation will provide incentive payments equal to 1 percent of applicable Part B Medicare payments for those who have implemented or adopt e-prescribing. The legislation will allow adequate time for the incentives to provide stimulus to e-prescribing adoption.