



September 4, 2003

The Honorable William H. "Bill" Frist
United States Senate
Washington, DC 20510

Dear Senator Frist:

The American Medical Group Association (AMGA) urges you – as a Medicare reform conferee – to proceed cautiously with any Medicare reform provision addressing electronic prescribing. Our member group practices, some of the nation's largest, most prestigious integrated healthcare delivery systems caring for more than 50 million patients in 40 states, are enthusiastic about electronic prescribing's potential for error reduction and improved patient safety. With the average AMGA member group having 272 physicians and 13 satellite locations, the time and cost advantages of e-prescribing are attractive.

However, implementation of new technology presents numerous problems for healthcare providers and their patients that must be acknowledged to avoid severe adverse consequences. Consequently, AMGA recommends the approach to electronic prescribing presented by S. 1: an effective framework for deliberative provider development of standards and implementation. In contrast, the House version would impose a mandated system with seriously unrealistic deadlines for this new technology application in varied provider settings.

Potential problems with precipitous, mandated implementation of such a system are numerous, including:

- the lack of uniform standards
- the need for physician and other user involvement in standard development
- the paucity of such systems currently in place for evaluation
- the high costs of implementation and the rapidly evolving technology
- the onerous burden mandated implementation would impose on remote and rural areas, and
- the wide variance in infrastructure capability among providers.

Best illustrating the potential for disaster is the precipitous implementation deadline imposed under the Health Insurance Portability and Accountability Act (HIPAA) for the Transaction and Code Set Standards (TCS). HIPAA was enacted in 1996, yet the complex HIPAA transaction and code set standards are still not fully developed, necessary guidance is unavailable, and few providers are able to meet the compliance deadline of October 16, 2003, despite vigorous, good faith efforts – we can all see this train wreck coming. Interruption of claims processing and reimbursement presents significant potential for disaster.

AMGA urges you to endorse the Senate's approach to electronic prescribing. The healthcare provider community needs a provider-involved, incremental approach to development of a new system for users in a vast array of settings, with varied technology infrastructure and financial resources. In delivering healthcare, providers' responsibilities also include managing their group practices, so as businesses they recognize the ultimate benefit of electronic prescribing. But you, as a Medicare conferee, must ensure that benefits accrue from the start and resource investment is well utilized.

Sincerely,



Donald W. Fisher, Ph.D.
President and CEO