



Medi-Cal Outlook for E-Prescribing

Kimberly Ortiz

Chief, Office of Medi-Cal Payment Systems
California Department of HealthCare Services





Medi-Cal

- Is the nation's largest Medicaid program in terms of the number of people it serves, 6.6 million, and is the second largest in terms of dollars spent, \$40 billion.
- Is the source of health coverage for:
 - Almost one in five of Californians under age 65;
 - One in three of the state's children; and
 - The majority of people living with AIDS in California.
- Pays for:
 - Forty-six percent of all births in the state;
 - Two-thirds of all nursing home residents; and
 - Almost two-thirds of all net patient revenue in California's public hospitals.

Drug-Related Costs

- Medi-Cal FFS program FY 07/08 drug expenditures were \$2.9 billion.



Medication Errors



- The Institute of Medicine projects that at least 1.5 million Americans are sickened, injured or killed each year by medication errors.
- Extrapolating to California
 - Medication errors cost our state \$17.7 billion dollars
 - Causes harm to 150,000 Californians

Medicaid Transformation

- In 2006, Congress approved \$150 million for Medicaid “transformation grants” in the Deficit Reduction Act of 2005 to be distributed over fiscal years 2007 and 2008.
- The Center for Medicare & Medicaid Services (CMS) awarded grants to 35 states for transformation.
- 7 of the 35 states are implementing e-prescribing pilots in their Medicaid program.

Why E-Prescribing for Medi-Cal?

- Increased use of e-prescribing over a ten year period could
 - Reduce federal health expenditures by up to \$29 billion
 - Prevent nearly 1.9 million adverse drug events
- Approximately 70% of the safety and savings advantages result from doctors being given immediate access to patient medication histories, safety alerts, and preferred drug options (formulary file)

Delivery of the Medi-Cal Formulary File

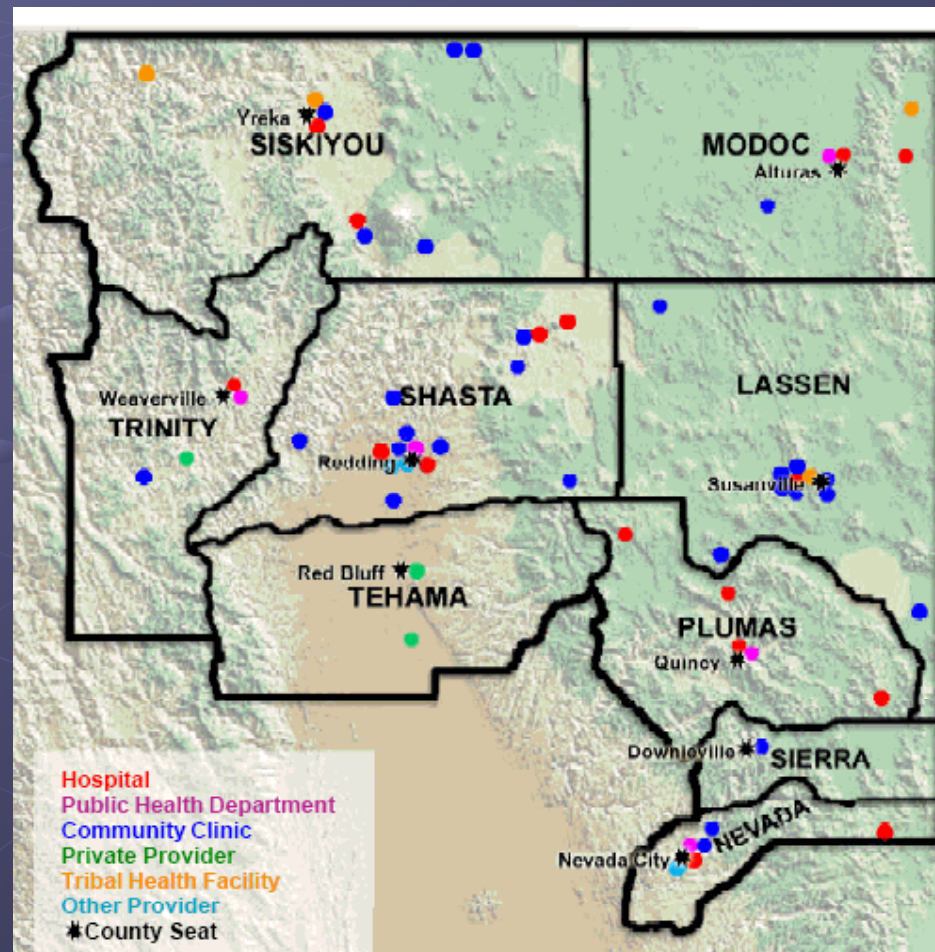
- 10% of the drug expenditures in Medi-Cal (\$300M) are for drugs requiring a prior authorization – We can impact the PA spend!
- Having a Medi-Cal drug formulary file available at the point of care will assist the prescriber in making the appropriate selection from a list of “covered drugs”
- Potential cost savings - if 5% of those who e-prescribe change their decisions and prescribe from the formulary annual savings of \$1M

E-Prescribing Proof of Concept Opportunity

- E-Prescribing Proof of Concept in Northern Sierra Rural Health Network
- Completed system changes to deliver medication histories and drug formulary file to the point of care
- Identified security and privacy policies and procedures

NSRHN eRx Program: Medi-Cal Proof of Concept

- Nine-county region of rural northern California
- Over 30% of patients are Medi-Cal beneficiaries
- eRx identified as #1 technology funding priority
- Funded by Blue Shield of California Foundation and CHCF



Access to Medi-Cal Data for E-Prescribing

Clinics
Hospitals

Pharmacies



Request Info

Locate
Patient



Format Med
History Request

Patient Medication History			
First Name: Carol	Last Name: Day	Date of Birth: 01/01/1950	
Home Zip Code: 15126 Gender: Male			
Data Range: WMOQYYYY - WMOQYYYY Last-mod: WMOQYYYY, Impact: 0			
Drug Prescribed	Date Filled	Pharmacy Name	Dispensing Pharmacy
Albuterol, 9 mg Inhalant, 90	12/15/2012	Dorville, Harriet	Pharmex
Albuterol, 9 mg Inhalant, 90	11/15/2012	Dorville, Harriet	Walgreens
Albuterol, 9 mg Inhalant, 90	10/15/2012	Dorville, Harriet	Walgreens
Request Additional Medication History			
Please select the Medication History data range:			
<input type="radio"/> 3 Months <input type="radio"/> 6 Months <input type="radio"/> 12 Months			
Or data from:			
<input type="radio"/> 12/15/2012 <input type="radio"/> 11/15/2012 <input type="radio"/> 10/15/2012			
Request Medication History >>>			

Aggregate Responses

Format Response

HUB

Return Info

Return Info

Member ID Load
Med History Request

Med History Response



Medi-Cal

Member ID Load



PBM #2

Member ID Load

Med History Request

Med History Response



PBM #3

Privacy Policies & Procedures

- Medicaid Law allows us to share claims data for purposes related to Medi-Cal treatment, payment and health care operations
- Medi-Cal required NSRHN clinics and hospitals to implement patient consent
- Medi-Cal implemented appropriate Business Associate Agreements

E-Prescribing Proof of Concept Evaluation

- Evaluation being performed by U of A
 - Impact on clinical outcomes
 - Impact on operational costs, quality, and efficiencies to both providers and pharmacies
 - Benefits to the Medi-Cal program

Barriers to Adoption

● Funding

- Transaction fees
- Opt in/Opt out automation
- CMS misalignment with Medicare and Medicaid

● Lack of technical education and support for providers results in failure

● DEA issues -- controlled substances

Medi-Cal's Statewide Role

- Provide leadership on the Statewide E-Prescribing Advisory Group
- Provide leadership on the California Privacy & Security Advisory Board
- Provide leadership on the NASMD Multi-State Collaboration
- Plan for statewide delivery of data at the point of care for E-Prescribing

Questions

Kimberly Ortiz

Chief, Office of Medi-Cal Payment Systems

916-552-8830 or Kim.Ortiz@dhcs.ca.gov

