

Health costs unite employers and lawmakers

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Motivated by mounting medical costs, lawmakers and executives are urging doctors to embrace a seemingly simple way to save billions of dollars a year: prescribe medications online. Officials in the public and private sectors say electronic prescriptions will make transactions more efficient, reduce medication errors and entice doctors to prescribe less expensive drugs.

The next generation of doctors, who shop and socialize online, are already using the technology in medical school. But older physicians have been reluctant to go paperless, arguing that the upfront costs of going digital fall on their shoulders, while the immediate savings go to pharmacy benefits managers that are paid to keep prescription costs low. A majority of pharmacies are equipped to receive electronic prescriptions, but just 6 percent of U.S. physicians own the software, according to Surescripts, an electronic-prescribing network.

That number is too low for corporate America, which has jumped in on the side of electronic prescribing in the technology tug-of-war. Health care expenses are on track to account for \$1 of every \$5 spent in the U.S. by 2018. However, a widespread shift to electronic prescriptions could save the government \$29 billion over a 10-year period, according to one industry estimate.

The technology itself is simple: A doctor uses a computer to send an electronic copy of a prescription to a pharmacy, eliminating messy handwriting. Some programs also warn doctors if they prescribe medicine that may counteract with others the patient takes. Most important for employers, programs display prices to help doctors choose cheaper medications.

When doctors choose cheaper drugs, patients also save on lower co-pays. But doctors complain the programs often give unnecessary warnings and provide incomplete information. And without government subsidies, like those paid to European doctors, physicians say they have little reason to invest in the programs. Their complaints are falling on deaf ears in Washington.

"It saves lives. It saves money, and it's time," Health and Human Services Secretary Mike Leavitt told lawmakers at a recent budget hearing. Warning that Medicare is on course to go bankrupt in 11 years, Leavitt urged Congress to push cost-saving technology now before expenses of retiring baby boomers overwhelm the system. The challenge is convincing doctors that electronic prescribing benefits them, not just the government, employers and patients. Corporations are finding ways to ensure doctors benefit, by paying those who use the technology extra. Ford said it saved \$3 million last year after buying electronic prescribing software for physicians in its employee health network.

The savings mainly came from higher use of generic drugs, which rose to 70 percent from 55 percent. Doctors received an annual bonus for prescribing more generics. Pharmacy benefits managers like MedcoHealth Solutions and CVS Caremark Corp., which stand to gain the most from the technology, have invested even more in the effort. Their trade group spent more than \$250,000 lobbying Congress last year.

With broad support in Congress and from the administration, the legislation has a good chance of becoming law this year, analysts say. The American Medical Association, the nation's largest physician group, says it opposes penalties for handwriting prescriptions. "As these programs improve more people are going to be using them, but to force people to use them now I think is a mistake," said Dr. Joseph Heyman, AMA's chairman-elect.

While electronic prescribing makes sense for doctors just starting out, Heyman said, the software can be cumbersome for doctors transferring from a paper system.