NACDS NATIONAL ASSOCIATION OF CHAIN DRUG STORES

May 4, 2009

Mr. Tony Trenkle
Director, Office of E-Health Standards and Services
Centers for Medicare and Medicaid Services
P.O. Box 8020
Baltimore, MD 21244-8020

Dear Mr. Trenkle:

**Re: Defining "Meaningful Use"**

As CMS considers proposed rules on the criteria for physicians to receive incentives for the adoption of electronic health records under the American Recovery and Reinvestment Act, the National Association of Chain Drug Stores (NACDS), would like to share with you our perspectives on what should constitute "meaningful use." We provided this information last week to the Executive Subcommittee of the National Committee on Vital and Health Statistics (NCVHS) in a written statement. NACDS represents traditional drug stores, supermarkets, and mass merchants with pharmacies. Its more than 170 chain member companies include regional chains with a minimum of four stores to national companies. NACDS members also include more than 1,000 suppliers of pharmacy and front-end products, and nearly 90 international members representing 29 countries. Chains operate more than 39,000 pharmacies, and employ a total of more than 2.5 million employees, including 118,000 pharmacists. They fill more than 2.5 billion prescriptions yearly, and have annual sales of over $750 billion.

NACDS and the pharmacy industry strongly support the widespread adoption of e-prescribing to enhance provider access to important health care information to benefit patients. E-prescribing is a proven technology that can vastly improve the health care outcomes by reducing prescription errors, saving money for public and private health care programs, and ultimately improving the quality of patient care. NACDS partnered with the National Community Pharmacists Association in 2001 to create SureScripts in an effort to improve the quality, safety, and efficiency of the overall prescribing process. The SureScripts Electronic Prescribing Network is the largest network to link electronic communications between pharmacies and physicians, allowing the electronic exchange of prescription information. Today, there are over 110,000 prescribers registered on the SureScripts network and 68 million prescriptions were routed electronically in 2008, an increase from 29 million in 2007.

In 2008, Congress passed the Medicare Improvements for Patients and Providers Act (MIPPA) allowing e-prescribing adopters to become eligible for financial incentives. Early signs indicate these incentives may be working, as the momentum behind the adoption of e-prescribing continues to grow. In the first quarter of this year alone, SureScripts processed over 50% of the 2008 volume across their network.

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However, we believe it is important that "meaningful use" be defined to mean the actual use of all of the functionality that will lead to better health outcomes, efficiency, and control of costs. We believe that the structure for the incentives in MIPPA can be improved upon as the incentives under ARRA are implemented. Under MIPPA, to be eligible to receive incentives, a prescriber must have an application that can route prescriptions electronically, access medication history where available, and access formulary and benefit information where available. But, to receive the incentives, a prescriber need only route prescriptions electronically 50% of the time, and the prescriber need never look at benefits information or medication history.

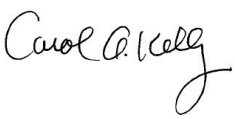
NACDS strongly encourages the definition of meaningful use to include not only the use of e-prescribing, but also the full benefits of e-prescribing. In order to realize the full benefits of e-prescribing, meaningful use should also include the use of all available e-prescribing capabilities such as prescription benefit review, medication history, and access to formulary and benefit information.

Going forward, the focus of policy and rule making should be on actual use of a robust set of available data, and not merely on the availability of the functionality of the application. Without this emphasis, the full benefits of e-prescribing will not be realized. For example, a prescription sent electronically to the pharmacy without utilizing benefit information could result in a phone call from the pharmacy to the practice. If the prescribed drug is not on formulary, a new prescription has to be issued, all of this diminishing the value of e-prescribing.

Finally, although meaningful use must be robust enough to require use of data, the definition of meaningful use must be reasonable and measurable, and cannot be a barrier to adoption. We must build on current available technologies and move in an iterative way over time to include more functionality and requirements in meaningful use.

We thank you for consideration of our perspectives on "meaningful use" of health information technology. If we can provide any additional information please do not hesitate to contact Kevin Nicholson, Vice President, Government Affairs and Pharmacy Advisor, at 703-837-4183 or knicholson@nacds.org.

Sincerely,



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