BEYOND IDENTITY PROOFING:
How EHRs Can Become More Than Just Vendors

INTRODUCTION

The implementation of electronic prescribing, or e-prescribing, is one of the most the groundbreaking changes in healthcare. As part of the Medicare Modernization Act (MMA) of 2003, e-prescribing has been promoted as an important element in reducing prescription fraud and abuse, improving the quality of care, and enhancing patient safety. By 2010, e-prescribing adoption climbed to 36 percent among office-based Physicians and 91 percent of community pharmacies were equipped to receive prescriptions electronically. Today, 73 percent of office-based Physicians e-prescribe and 95 percent of pharmacies actively accept e-prescriptions, according to Surescripts' 2013 National Progress Report.

When the U.S. Drug Enforcement Administration (DEA) expanded e-prescribing regulations to allow prescribers to issue and pharmacies to receive and dispense electronic prescriptions for controlled substances, the regulatory changes meant significant changes for providers and pharmacies, as well as tremendous opportunities for healthcare IT vendors. In this environment of advanced technology, patient-centric care and regulatory compliance, EHR developers are uniquely poised to become full-fledged service partners of pharmacies; but they need the right capabilities to do so.

In this whitepaper, Healthcare Data Solutions focuses on the importance of prescriber verification as a critical element in provider and pharmacy compliance. With more providers e-prescribing, it is critical that their EHRs are equipped to comply with federal regulations such as identity proofing and DEA number verification. Those without these capabilities have a greater risk of serious consequences, including imprisonment and fines.

Additionally, as more pharmacies expand their roster of services, the need to effectively manage e-prescriptions for controlled substances will also increase. Pharmacies that minimize errors will avoid significant fines; those that don't may experience tremendous financial and federal pressure to comply. While some EHR companies are optimizing their systems to provide identity-proofing capabilities, the companies that are able to help pharmacies also meet DEA number verification will have the ultimate edge over the competition.

EPCS: WHAT PHARMACIES & PROVIDERS NEED

REAL-TIME VERIFICATION OF DEA NUMBERS IS CRITICAL FOR PHARMACIES AND PROVIDERS

Since the DEA issued its Interim Final Rule (IFR) in 2010, electronic prescribing for controlled substances (EPCS) has been approved in 48 states. Expanding e-prescribing to include controlled substances is an effort by the DEA to reduce fraud and waste, secure electronic health records, and improve safety and patient care. Prescribers, pharmacies and pharmacists, as well as EHR software companies and pharmacy system companies, must comply with strict requirements to prescribe, transmit, receive and dispense electronic prescriptions for controlled substances.

To comply with DEA regulations, Physicians and pharmacies need robust software that must be audited by a third party to confirm that it complies with the requirements of the DEA's IFR. Compliance means that the e-prescribing component of EHR systems must have the capability to:

- Restrict access by name or role
- Import and display all information required for a controlled-substance prescription
- Confirm the prescriber's digital signature
- Verify prescribers to their individual DEA numbers, or approved exempt clinicians to the institutional DEA number
- Retain the prescriber's full DEA number
- Digitally sign the prescription
- Digitally archive signed prescriptions
- Maintain an internal audit trail
- Perform automated internal audits
- Provide reports of incidents to pharmacists

Thus far, compliance with these requirements has proven to be a challenge for most healthcare software companies. Currently, only 29 out of 500+ software companies certified by Surescripts are capable of handling EPCS.

This represents a huge opportunity for EHR companies to innovate and to develop partnerships, particularly with data companies that specialize in critical functions, such as real-time verification of DEA numbers. Pharmacies have an urgent need for such a service. Healthcare Data Solutions' research showed that the ability to verify DEA numbers can save one pharmacy more than $13 billion in fines in just one quarter. Thus, EHRs that offer DEA verification as a value-add will not only distinguish themselves from competitors but will also be recognized by pharmacies as best-in-class service partners.

IDENTITY PROOFING: WHY IT'S NOT ENOUGH

A SINGLE PHARMACY CAN BE FLAGGED MORE THAN 300,000 TIMES FOR INVALID DEA NUMBERS IN JUST ONE QUARTER

Healthcare providers and organizations participating in the Federal Meaningful Use program have a financial incentive to adopt e-prescribing. Recent reports estimate that 36 percent of office-based Physicians now e-prescribe, and more than 1 billion e-prescriptions were processed by Surescripts in 2013 alone. To successfully e-prescribe, however, individual practitioners must register with the Department Enforcement Agency, receive a valid DEA number and complete an identity-proofing process. During the identity-proofing process, an authentication credential is issued to authenticate an individual practitioner to an EPCS prescribing application. A Federally approved credential service provider (CSP) or certification authority (CA), such as IdenTrust, Symantec, and Verizon, conducts the identity proofing and provides the two-factor authentication credential, or digital certificate, that is required to sign controlled-substance prescriptions.

Identity proofing is a critical first step in the writing and transmitting of electronic prescriptions for controlled substances, and many providers e-prescribe through an added component, or ePrescribing module, of their EHRs. However, prior to the identity proofing stage, a provider's DEA number must first be verified at the point of registration. Following registration, a provider's DEA number should then be verified each time the provider writes a controlled substance prescription to ensure compliance with federal regulations. Because some providers are only authorized to write prescriptions for certain controlled substances, verifying the DEA number at the prescription writing stage is the most effective way to remain in compliance. Where identity proofing validates that a prescriber is who she says she is, prescriber verification confirms that she actually has the authority to write prescriptions for controlled substances.

PHYSICIANS WHO WRITE ILLEGAL PRESCRIPTIONS ARE SUBJECT TO IMPRISONMENT, LOSS OF LICENSE AND FINES

The importance of prescriber DEA number verification cannot be overstated.

A first quarter report by Healthcare Data Solutions revealed that a single mid-sized pharmacy using the Prescriber Validation Subscription Service received more than 340,000 flags for expired, inactive or invalid DEA numbers for controlled substance e-prescriptions. Failure to validate a prescriber's DEA number for a single prescription of a controlled substance can cost a pharmacy $25,000 per invalid claim.

Providers are also at risk of serious consequences. Under Section 824 of the Controlled Substances Act, providers who Illegally distribute or dispense controlled substances could have their license suspended or revoked, and are subject to imprisonment and fines:

- For Schedule II controlled substances, providers could be sentenced to 10-15 years in prison and assessed $500,000 - $2,500,000 in fines;
- For Schedule IV controlled substances, providers could be sentenced to 5 years in prison and assessed $250,000 - $1,000,000 in fines for a first offense, and 10 years in prison and $500,000 - $2,000,000 after;
- For Schedule V controlled substances, providers could be sentenced to one year in prison and assessed $100,000 - $250,000 in fines for a first offense, and four years in prison and $200,000 - $500,000 in fines after.

Additionally, the Office of Inspector General (OIG) has the discretion to exclude providers and entities for misdemeanor convictions relating to unlawful prescribing of controlled substances. Pharmacies may also be assessed a $10,000 penalty and up to three times the amount of the claim for prescriptions that are filled by providers on the OIG exclusions list.

PRESCRIBER VERIFICATION: THE GOLDEN EGG
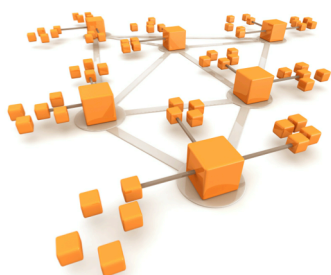
PVSS VALIDATES UP TO 700 PRESCRIBERS PER MINUTE

Surescripts' 2013 Annual Progress report shows that more than one billion prescriptions were routed electronically in 2013, representing 58 percent of all eligible prescriptions. On the provider side, EHRs with e-prescribing functions outnumber standalone applications by 4 to 1, a clear indication that EHR developers are thinking outside the "vendor" box to meet customer needs. But there is still much work to be done before EHRs can become full-fledged service partners to providers and pharmacies. This is especially true in the area of prescriber verification – a critical function required by providers and pharmacies alike. EHRs can provide this service to providers and pharmacies by partnering with data services companies like Healthcare Data Solutions.

The Prescriber Validation Subscription Service (PVSS) from Healthcare Data Solutions allows EHRs to make real-time inquiries of prescriber credentials, including DEA and NPI numbers, OIG Exclusions and other sanction activity. This cloud-based service seamlessly integrates with standard EHR platforms so that healthcare providers can process and validate prescriptions in one screen – eliminating the need to access external databases, which are neither up-to-date nor efficient.

Partnering with a third-party data company like HDS will enable EHRs to fill a service gap that providers and pharmacies urgently need, without having to develop the capabilities from scratch.

With PVSS, EHRs can offer pharmacies and providers an additional layer of security, ensuring that accuracy occurs at both the identity-proofing stage and the validating stage:

- Seamless integration with EHR platforms
- Real-time validation
- Customized messaging
- Detailed reporting
- Premium customization

As more providers use EHRs and more pharmacies expand their services, the need to improve efficiency and simultaneously maintain compliance is urgent. Optimizing EHRs – the most widely used technology for patient health information – for prescriber verification is a natural next step in the evolution of technology and care.

CONCLUSION

EHRs have played an integral role in improving the prescription process, in areas such as better legibility and more efficient processing. However, interviews with more than 100 Physician practices and pharmacies by the Center for Studying Health System Change found that prescription errors remain a major problem, particularly in areas such as renewals and manual entry of prescription information. This study aligns with other research, which estimates that 51 million prescription errors occur every year.

As pressure mounts from the DEA to minimize controlled substance abuse and pharmacies expand their scope of services in the healthcare continuum, the modern pharmacy can no longer afford to sustain costly errors or data inaccuracies. Similarly, as EHRs become more widely used by providers and pharmacies, EHR companies that want to thrive in today's dynamic healthcare landscape can no longer operate simply as "vendors" but must think in terms of partnerships and collaboration – not only with pharmacies but also with data companies.

With 40 percent of EHR buyers expected to switch systems and the EHR market surpassing $23 billion in 2013, EHRs are in a unique position to become more than just vendors by optimizing their systems with value-added features such as prescriber verification, which enable providers and pharmacies to streamline workflow, minimize costly errors and maintain compliance.

Lastly, improving EHR functionality and usability could attract hospitals that are looking to stay competitive in today's healthcare structure. Having a certified, efficient EHR system that meets clinical and compliance needs is one way in which hospitals are attracting and recruiting physicians, whose adoption of new technologies is integral to improving patient outcomes and population health.

To learn more about Prescription Validation Subscription Service (PVSS) from Healthcare Data Solutions, call us today at 1-877-238-4949.