

AMENDED IN SENATE JUNE 16, 2009

AMENDED IN SENATE MAY 27, 2009

AMENDED IN ASSEMBLY APRIL 22, 2009

AMENDED IN ASSEMBLY APRIL 13, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 718

Introduced by Assembly Member Emmerson

February 26, 2009

An act to add and repeal Section 4071.2 of the Business and Professions Code, relating to healing arts.

LEGISLATIVE COUNSEL'S DIGEST

AB 718, as amended, Emmerson. Inland Empire Health Plan E-Prescribing Pilot Program.

The Pharmacy Law regulates, among other matters, the dispensing by prescription of dangerous devices and dangerous drugs, which include controlled substances. Existing law authorizes the electronic transmission of prescriptions under specified circumstances.

This bill would, until January 1, 2013, create the Inland Empire Health Plan E-Prescribing Pilot Program and would require the program to promote health care quality and the exchange of health care information and to include specified components, *including electronic prescribing, as defined*. The bill would require the Inland Empire Health Plan, a joint powers agency, to select, *through a competitive bid process*, an entity with specified certification ~~and at least 5 years of e-prescribing experience under another state's Medicaid program~~ to administer the program and would require this entity to submit a report to the

Legislature, by January 1, 2012, regarding the *goals and* results of the program and whether the program should be extended, *as specified*. By imposing a new requirement on a joint powers agency, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 4071.2 is added to the Business and
- 2 Professions Code, to read:
- 3 4071.2. (a) The Inland Empire Health Plan E-Prescribing Pilot
- 4 Program is hereby created. For purposes of this section, “program”
- 5 means the Inland Empire Health Plan E-Prescribing Pilot Program.
- 6 (b) The program shall be administered by an entity, ~~selected by~~
- 7 ~~the Inland Empire Health Plan,~~ with certification from the
- 8 Certification Commission for Healthcare Information ~~Technology~~
- 9 ~~and a minimum of five years of e-prescribing experience under~~
- 10 ~~another state’s Medicaid program. Technology. This entity shall~~
- 11 ~~be selected by the Inland Empire Health Plan through a competitive~~
- 12 ~~bid process.~~
- 13 (c) The program shall promote health care quality and the
- 14 exchange of health care information consistent with applicable
- 15 ~~law and law, including, but not limited to, applicable state and~~
- 16 ~~federal confidentiality and data security requirements and~~
- 17 ~~applicable state record retention and reporting requirements. The~~
- 18 ~~program shall include all of the following components:~~
- 19 (1) Integrated clinical decision support alerts for allergies,
- 20 drug-drug interactions, duplications in therapy, and elderly alerts.
- 21 (2) Current payer formulary information.
- 22 (3) Appropriate alternatives, when needed, to support
- 23 cost-effective prescribing at the point of care.

1 (4) Drug compendia approved by the Centers for Medicare and
2 Medicaid Services.

3 (5) ~~Electronic transmission of prescriptions~~ *prescribing*
4 consistent with applicable state and federal law.

5 (6) *Patient drug history.*

6 (d) *Electronic prescribing pursuant to the program shall not*
7 *interfere with a patient's existing freedom to choose a pharmacy*
8 *and shall not interfere with the prescribing decision at the point*
9 *of care.*

10 ~~(e)~~

11 (e) The entity administering the program shall, on or before
12 January 1, 2012, submit a report to the Legislature on the *goals*
13 *and results of the program and whether the program should be*
14 *extended. This report shall include quantifiable data on all of the*
15 *following:*

16 (1) *The number of prescribers enrolled in the program who use*
17 *electronic prescribing.*

18 (2) *The number of pharmacies participating in the program.*

19 (3) *The number and percentage of prescriptions sent*
20 *electronically as a percentage of the overall number of*
21 *prescriptions reimbursed by the plan.*

22 (4) *Expenditures on the program.*

23 (5) *Data on whether and to what extent the program achieved*
24 *the following goals:*

25 (A) *Reduced medication errors.*

26 (B) *Reduced prescription fraud.*

27 (C) *Reduced health care costs, including, but not limited to,*
28 *inpatient hospitalization, by reducing medication errors, increasing*
29 *patient medication compliance, and identifying medication*
30 *contraindications.*

31 ~~(e)~~

32 (f) Notwithstanding Section 4321, a violation of this section
33 shall not be a crime.

34 (g) *For purposes of this section, notwithstanding subdivision*
35 *(c) of Section 4040, "electronic prescribing" means a prescription*
36 *or prescription-related information transmitted between the point*
37 *of care and the pharmacy using electronic media.*

38 ~~(f)~~

1 *(h)* This section shall remain in effect only until January 1, 2013,
2 and as of that date is repealed, unless a later enacted statute, that
3 is enacted before January 1, 2013, deletes or extends that date.

4 SEC. 2. If the Commission on State Mandates determines that
5 this act contains costs mandated by the state, reimbursement to
6 local agencies and school districts for those costs shall be made
7 pursuant to Part 7 (commencing with Section 17500) of Division
8 4 of Title 2 of the Government Code.

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