



Kaiser Daily Health Policy Report

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Prescription Drugs

Use of Electronic Prescribing Increases Among Physicians as Medicare, Private Health Plans Offer Incentives

The number of physicians who use electronic prescribing has more than doubled over the past year to about 70,000, or about 12% of all physicians based in offices, as incentives encourage more physicians to adopt the practice, the [Wall Street Journal](#) reports. This month, Medicare began to pay physicians bonuses for the use of e-prescribing, and some private health plans have begun to offer extra reimbursements to physicians who adopt the practice. In addition, a coalition of technology companies has begun to provide e-prescribing software at no cost to encourage physicians to adopt the practice.

According to the *Journal*, studies have found that e-prescribing can reduce medical errors, as well as reduce health care costs "by allowing doctors to check, with a patient's consent, the relative cost of copayments for generic, formulary and nonformulary drugs in a patient's health plan." Consulting firm [Gorman Health Group](#) estimates that the federal government could reduce health care costs by at least \$26 billion over 10 years through bonuses to encourage physicians to use e-prescribing and required use of the practice for medications covered under Medicare (Landro, *Wall Street Journal*, 1/21).