DEPARTMENT OF HEALTH AND HUMAN SERVICES
*OFFICE OF DIRECTOR*

# ACTION REFERRAL

| TO | DATE |
|---|---|
| Bowling / Giese | 3-15-07 |

Change to NRU per Susan B. on 3/14/07

## DIRECTOR'S USE ONLY

| | ACTION REQUESTED |
|---|---|
| 1. LOG NUMBER    CC0590 | Prepare reply for the Director's signature |
| | DATE DUE |
| | [ ] Prepare reply for appropriate signature |
| 2. DATE SIGNED BY DIRECTOR | DATE DUE |
| | [ ] FOIA        DATE DUE |
| cc: Wells | [X] Necessary Action |

| | APPROVE | * DISAPPROVE (Note reason for disapproval and return to preparer.) | COMMENT |
|---|---|---|---|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |

**APPROVALS**
(only when prepared for director's signature)

# DEPARTMENT OF HEALTH AND HUMAN SERVICES

*OFFICE OF DIRECTOR*

## ACTION REFERRAL

| TO | | DATE |
|---|---|---|
| *Bowling* | | 3-15-01 |

| DIRECTOR'S USE ONLY | | ACTION REQUESTED |
|---|---|---|
| 1. LOG NUMBER | CCC590 | [X] Prepare reply for the Director's signature<br><br>DATE DUE  **3-22-01** |
| 2. DATE SIGNED BY DIRECTOR | | [ ] Prepare reply for appropriate signature<br><br>DATE DUE _____ |
| cc: Wells | | [ ] FOIA<br><br>DATE DUE _____ |
| | | [ ] Necessary Action |

| | APPROVE | * DISAPPROVE<br>(Note reason for disapproval and return to preparer.) | COMMENT |
|---|---|---|---|
| **APPROVALS**<br>(only when prepared for director's signature) | | | |
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |

# HealthCare Systems

March 2, 2007

Mr. Robert M. Kerr, Director
Department of Health & Human Services
P.O. Box 8206
Columbia, SC 29202-8206

Dear Mr. Kerr:

My name is Bob Vinti and I am the product manager at Healthcare Systems Inc, a software company that offers a solution to healthcare providers for reconciling patient's medication history with current needs for medications. Our HCS e-Medication Reconciliation software is used in all healthcare settings, but particularly in acute care settings where medication needs may change based on the patients condition.

In order for us to deliver an accurate picture of patients for clinicians we need to get a thorough medication profile. We currently query insurance companies and data brokers such as RxHub to obtain historical information on home medications filled in a retail setting. Since HealthCare Systems, Inc and hospitals are not able to get Medicaid medication history data from any of our current sources, you can imagine the additional risk placed on Medicaid patients, admitted to hospitals within your state due to gaps in the home medication records provided to clinicians.

Medicaid is fiscally responsible for in excess of 17,851,409,925 prescriptions filled in the United States. Your Medicaid provider hospitals are requesting access to this data. By providing your pharmacy claims data to hospitals, through HealthCare Systems software, you will be helping to improve patient care, receive benefits from a reduction in avoidable claims and achieve some community good will by demonstrating your willingness to participate in healthcare data sharing activities.

The attached letter explains what we do and the benefits in more detail. Please consider working with us to assist the clinicians in providing quality care to your patients

Sincerely,

Robert A Vinti
Product Manager
334-323-7885
Bob.vinti@hcsinc.net

# HCS HealthCare Systems

March 5, 2007

Mr. Robert M. Kerr, Director
Department of Health & Human Services
P.O. Box 8206
Columbia, SC 29202-8206

Dear Mr. Kerr:

My name is Bob Vinti and I am the product manager at Health Care Systems Inc, a software company that offers a solution to healthcare providers for reconciling patient's medication history with current needs for medications. Our HIPAA and State privacy compliant, HCS e-Medication Reconciliation software is used in all healthcare settings, but particularly in acute care settings where medication needs may change based on the patients condition.

One feature of our application is the ability to query data sources for medication histories and present that data to healthcare workers responsible for the care of the patient. This communication is done electronically using NCPDP standard formats or HL7 for request and delivery of the information. Alternatively, we can locally access your software using our software and a user ID and password you provide to obtain and send the information to the clinician. The data that we are able to obtain from insurance companies, pharmacy benefits managers and claims processors provides an excellent starting point for a patient interview on admission to the hospital or clinic. Medication use during the hospital or clinic visit is also captured by the application which allows the clinician to conduct medication reconciliation during transitions of care and at discharge.

We currently query insurance companies and data brokers such as RxHub to obtain this historical information. We are in the process of expanding our data sources so we can provide a more complete medication history for our users.

Medication reconciliation is a fundamental necessity in increasing patient safety. Roughly two-thirds of medication errors resulting in death or major injury are related to communication breakdowns, according to the Joint Commission, and approximately half of those errors could be avoided by instituting systematic, accurate, thorough and effective medication reconciliation methods.

The greatest number of medication reconciliation errors tends to occur at the transition, or transfer, node of patient care. A recent USP MEDMARX report backs this up: In an 11-month study of 2,022 errors, 66 percent occurred at transition/transfer nodes, and 1.45 percent of those errors caused harm or resulted in death. At 73 percent, improper dose/quantity made up the majority of the transition errors, followed by prescribing errors and omission errors.

Patient care is positively impacted when, as the Joint Commission requires, the medication history portion of the reconciliation process is thorough and accurate. As you can predict, electronic retrieval of prescription drug data for patients transitioning care is an excellent mechanism to obtain an accurate starting point for a patient interview.

In order for us to deliver an accurate picture for patients we need to get a thorough medication profile. South Carolina Medicaid is fiscally responsible for in excess of 11,780,932 prescriptions filled annually

in your state. Since HealthCare Systems, Inc and hospitals are not able to get Medicaid medication history data from any of our current sources, you can imagine the additional risk placed on Medicaid patients, admitted to hospitals within your state due to gaps in the home medication records provided to clinicians.

This application actually improves patient care and can reduce costs associated with that care by ensuring that patients receive the medication therapy they need in all care settings. There are several studies that demonstrate that almost 10% of admissions to hospitals and emergency care centers are due to improper use of medications. We have seen some benefits from non-Medicaid data in our customer sites already.

1. Two patients presented to the emergency department in full cardiac arrest. The clinician was able to identify current medical conditions given medication information provided by our application.

2. A patient presented to the emergency department under the influence of alcohol seeking alcohol treatment unable to provide a complete medication list. Our application provided the information required to ensure proper medication orders for the admission.

3. A patient presented to the emergency department with a chief complaint of shoulder and knee pain, asking for a prescription for Darvocet. Our application revealed that a prescription for 120 Darvocet was filled one day prior to the admission, but the patient did not reveal this upon interview.

4. A patient indicated they were taking "cough medication" unsure of the name. Our application provided the name of the medication.

5. A 2 month old patient was receiving an "eye drop" according to the mother Our application was able to identify the actual eye drop the patient was using..

6. A patient with a chief complaint of depression did not indicate that she had been previously treated with antidepressant. However, an antidepressant was filled and refilled according to information provided by our application.

As you can see we can positively impact patient care.

Your Medicaid provider hospitals are requesting access to this data. With 86.5% of your enrollees using the pharmacy benefit, amounting to $68,402,378 in annual drug expenditures, I am sure you can understand why and would want to help ensure these patients are treated appropriately and efficiently with drug therapy. By providing your pharmacy claims data to hospitals, through HealthCare Systems software, you will be helping to improve patient care, receive benefits from a reduction in avoidable claims and achieve some community good will by demonstrating your willingness to participate in healthcare data sharing activities.

I hope you will consider this opportunity and at least allow us to discuss this over the telephone or in person. Thank you.

Sincerely,

Robert A Vinti
Product Manager
334-323-7885
Bob.vinti@hcsinc.net