

# The disruptive impact of e-prescribing on the health care value chain

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# Conclusions

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- E-prescribing is a disruptive innovation which will alter the structure of the relationship between prescribers and patients and alter parts of the health care value chain.
- Potential impact is not limited to national health systems, but extends to the EU cross-border environment.
- The creation of the e-prescribing datastream offers new information, new uses for information and creates possibility for new market entrants.
- We need to understand the health care value chain better.





# E-prescribing

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# Why e-prescribing?

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- Improve safety of the prescribing process
  - medication and dispensing errors
  - complex medicines, polypharmacy
  - improve information to patients
- Reduced costs through improved efficiencies
  - hard to get productivity gain in health services
- Improve sources of advice to prescribers
  - medicines are complex
  - professional boundaries blurring



# E-prescribing creates a real-time unbroke chain of information

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- real-time...
  - *no delay*
- information rich...
  - *everything to do with the Rx (people, products, time, fulfillment...)*
- datastream
  - *unbroken chain of complete data capture across the whole prescribing process*



# Alters the end-of-consultation discussion

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- Choosing the medicine by prescriber
  - clinical decision support
- Filling the prescription by patient
  - location, timing
- Making explicit the discussion about concordance, compliance
  - “will you take this medicine?”
- Supporting the informed patient
  - how much longer can the information prohibitions last?





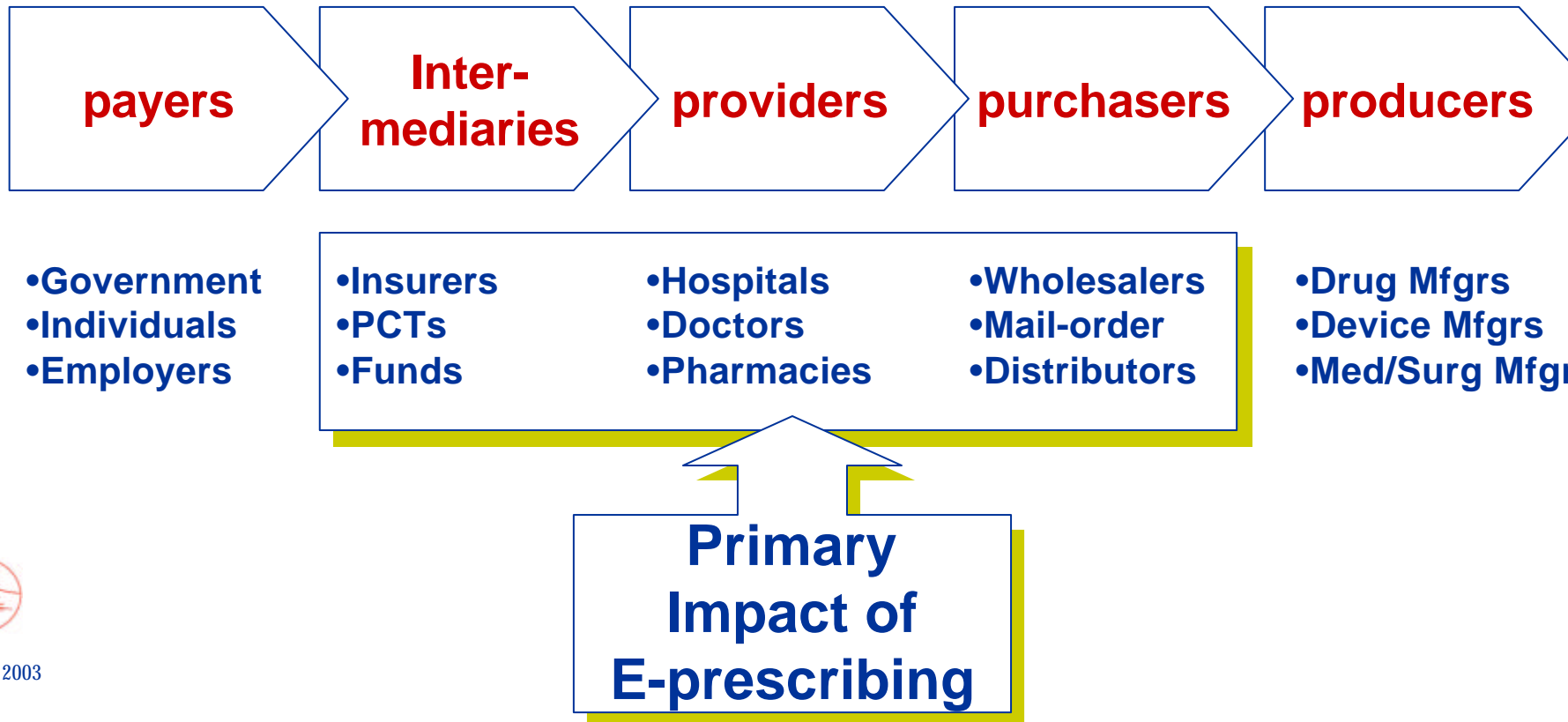
# Value chain impact

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# Impact on the healthcare value chain



# Potential changes in the value chain

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- New market entrants
  - disease management providers
  - stock and inventory management
- New forms of fulfillment
  - automated dispensing
  - online pharmacy
  - mail order
- New dispensing outlets
  - substitution of traditional pharmacy
- New information asymmetries
  - impact on bargaining power -- buyers and sellers



# Potential wider impact

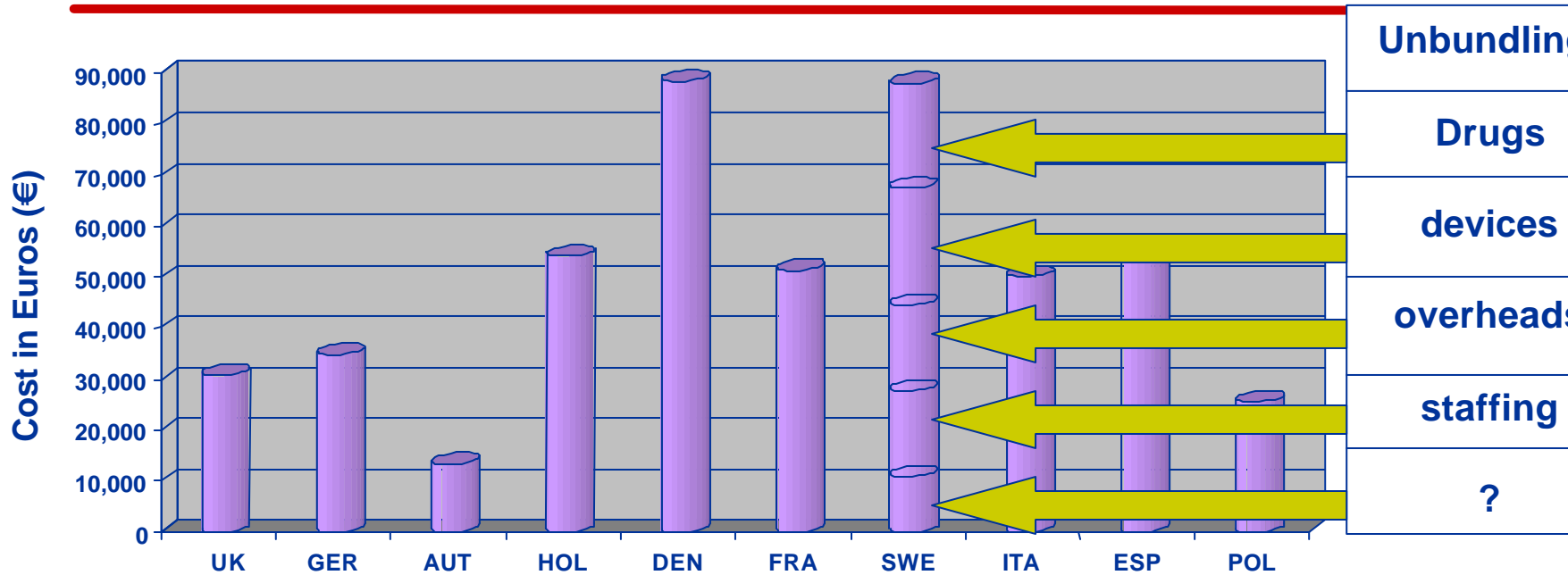
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- Offers increased price transparency between markets
  - cross-border health in the EU
  - access to comparative pricing information
  - exchange of information about sources of costs and pricing structures



# EU comparisons

## Transplantation of heart



Country	UK	GER	AUT	HOL	DEN	FRA	SWE	ITA	ESP	POL
Cost in €s	€30,681	€34,729	€13,248	€54,038	€88,385	€51,240	€87,787	€49,967	€53,869	€25,464

The graph shows the average price of the procedure based upon national tariff data.

And finally...

We need to understand the health  
care value chain better!

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# Why?

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- A market valued at £400 billion entering a phase of rapid change
- Healthcare systems are converging
  - US↔Europe
- Each country needs to understand the pan-European value chain
- Each government needs to understand the impact on value chain of national health policies
  - Little is understood of the impact on health care business systems by state regulators
  - Governments and states have often seen themselves 'standing outside' the commercial sector
- Each buyer and supplier needs to understand its market



# Proposed study...

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- Proposed study of European Union health value chain and the individual value chains of the member states
  - European value chain has never been properly analysed
  - subsidising of healthcare budgets has hampered cross-border analysis
- Project to be commissioned from Prof Lawton Burns at Wharton, and to include national research partners such as INSEAD, and others
- Looking for like-minded folk to become involved...





Thank you!

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Questions

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