



April 6, 2018

The Honorable Evan Low
Chairman, Assembly Business & Professions Committee
State Capitol, Room 4126
Sacramento, CA 95814

Re: AB 2789 (Wood) Electronic Prescription Transmission – SUPPORT AS AMENDED

Dear Chairman Low,

The California Retailers Association (CRA) and the National Association of Chain Drug Stores (NACDS) are pleased to support AB 2789 (Wood), as amended on April 3, 2018 to exempt prescriptions that include elements not covered by the latest version of the National Council for Prescription Drug Programs (NCPDP) SCRIPT standard. As amended, AB 2789 will improve patient safety, increase workflow efficiency, and decrease medication errors.

Electronic prescription transmission (“e-prescribing”) is a widely practiced and accepted method for prescribers to send prescription orders to pharmacies. Almost all pharmacies across the country are capable of receiving electronic prescriptions, and most prescribers are able to electronically prescribe. It is no coincidence that this method of communicating prescription information has proliferated in recent years. According to the *Perspectives in Health Information Management* study “Electronic Prescribing: Improving the Efficiency and Accuracy of Prescribing in the Ambulatory Care Setting,” cost savings resulting from e-prescribing ranges in the hundreds of billions of dollars and medication errors have been reduced to as little as one seventh of their previous rate.

We appreciate the author’s April 3rd amendments to AB 2789, which will ensure that impending updates to the NCPDP SCRIPT standard will not cause certain prescriptions to be uncompliant with the bill. AB 2789 also allows for exemptions in other circumstances, like technological or electrical failures. We would like to further request that the bill be amended to include a requirement that the Board of Pharmacy report to the Legislature by January 1, 2022 on compliance with the mandate. Such a provision will help the Legislature determine whether additional action is necessary to ensure prescribers and pharmacies are practicing e-prescribing.

Compliance with AB 2789 will result in improved patient outcomes across the state. Just a few of the bill’s many advantages include decreased drug abuse by reducing fraud; less adverse prescription drug events by reducing errors; improved efficiency by reducing the amount of time prescribers and pharmacists must spend writing and reading prescriptions; and reduced costs by increasing medication adherence.

Further, AB 2789 is not unprecedented. Minnesota was the first state to require e-prescribing in 2011, followed by New York, Maine, Connecticut, Rhode Island, New Jersey, North Carolina, Arizona and Virginia. Seventeen other states have filed legislation in 2018. In addition to the cost savings and accuracy improvements, these states recognize that e-prescribing is an important tool to combat opioid abuse. With thousands of Americans dying from opioid misuse and abuse annually, policymakers must use all of the tools in their arsenal to combat the epidemic and save lives. Maximizing available technology and improving efficiency are just some of these tools, and are integral to increasing the quality of care pharmacists and prescribers provide to patients.

The California Retailers Association is the only statewide trade association representing all segments of the retail industry including general merchandise, department stores, mass merchandisers, restaurants, convenience stores, supermarkets and grocery stores, chain drug, and specialty retail such as auto, vision, jewelry, hardware and home stores. CRA works on behalf of California's retail industry, which currently operates over 400,000 retail establishments with a gross domestic product of \$330 billion annually and employs over 3 million people—one fourth of California's total employment.

The National Association of Chain Drug Stores advances a pro-patient and pro-pharmacy agenda. For the ultimate benefit of the consumers served by NACDS members, the mission of NACDS is to advance the interests and objectives of the chain community pharmacy industry, by fostering its growth.

For the reasons listed above, we support AB 2789 (Wood). Please do not hesitate to contact Jennifer Snyder with Capitol Advocacy at (916) 444-0400 if you have any questions.

Sincerely,



Bill Dombrowski
President
California Retailers Association



Mary Staples
Director, State Government Affairs
National Association of Chain Drug Stores

Cc: The Honorable Jim Wood, Author
Members, Assembly Business & Professions Committee