



2013 NATIONAL PROGRESS REPORT AND SAFE-Rx RANKINGS



Surescripts was founded in 2001 with a mission to eliminate paper prescriptions and deliver important medical information electronically. Just as we've witnessed continued growth in e-prescribing, so too have we seen the complexity of the healthcare system multiply, while patients and providers demand easier access to health information. Today, we have the assets and the experience that are needed to enable the electronic exchange of a diverse range of health information.

- We operate the network and build the relationships that enable vital information to flow freely and securely to the right place at the right time.
- We see American healthcare as a collection of disparate parts, each powerful in its own way, but whose collective potential has yet to be fully tapped.

- We know that people and organizations working together, across silos, will make healthcare more efficient, more effective and easier to navigate.
- We believe that healthcare is inextricably linked to technology, and if technology improves, healthcare will improve with it.

AS OF THE END OF 2013, SURESCRIPTS CONNECTS:

- 566,000 prescribers
- 95% of community pharmacies
- More than 400 hospitals and IDNs
- More than 70% of physicians
- More than 600 EHR applications
- 43 state immunization registries
- 21 health information exchanges (HIEs) and health information service providers (HISPs)

Our purpose is to connect fragmented healthcare into a coherent whole to enable more efficient and effective healthcare. Each day, our work touches upon a wide range of people, processes and products rooted in our three core capabilities:

CONNECT: We connect to the broadest community of care partners. Surescripts helps improve care collaboration, saving time and resources, by integrating disparate IT systems between hospitals, physicians, payers, pharmacies, labs and other healthcare stakeholders.

EXCHANGE: We exchange a wide range of information across networks from a single point of connectivity, facilitating timely and secure access to the data that is needed in today's quality-driven and evidenced-based care environment.

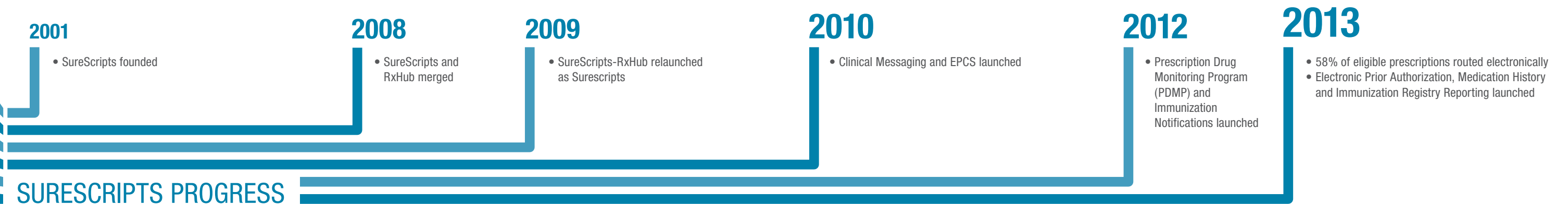
ACTIVATE: We activate data so it becomes useful information, while ensuring data security and privacy. We aggregate and enhance data from disparate sources and across different formats.

6 Billion TRANSACTIONS ANNUALLY

600 EHR APPLICATIONS

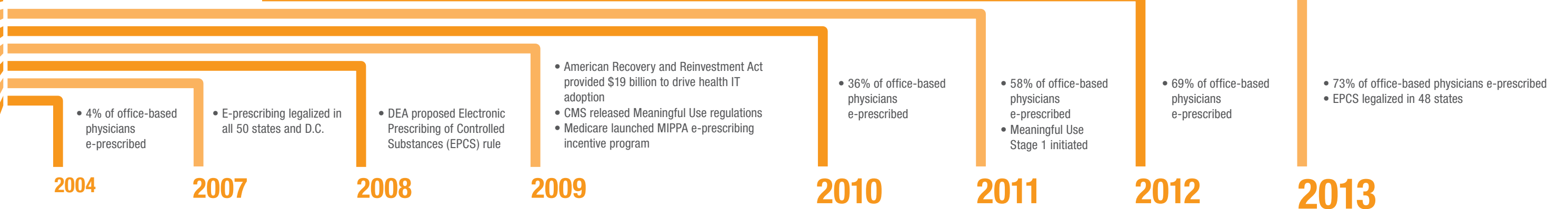
95% OF PHARMACIES

THE EVOLUTION OF SURESCRIPTS



SURESCRIPTS PROGRESS

INDUSTRY PROGRESS

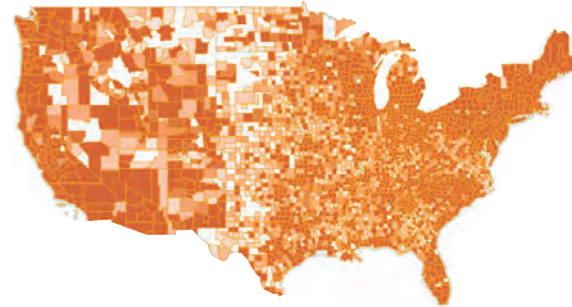


ELECTRONIC PRESCRIBING USE

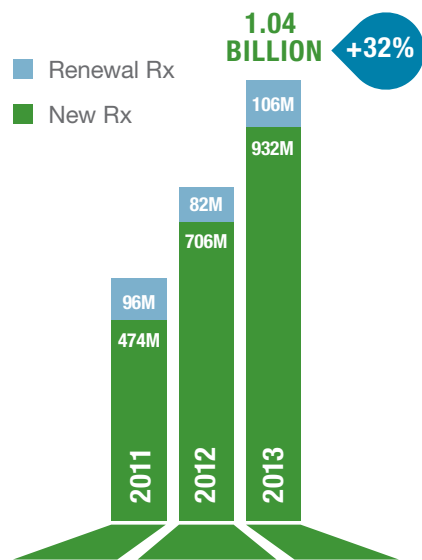
73% of Office-based Physicians E-Prescribed¹

7 out of 10 office-based physicians e-prescribed in 2013, a 4% change in e-prescribing use over 2012.

Note: The darker the area, the greater the concentration of active e-prescribers.

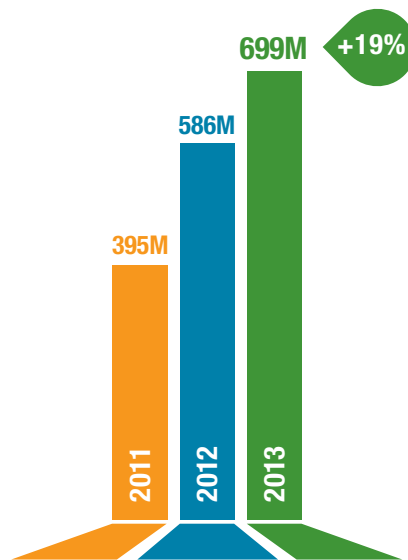


More than Half of All Prescriptions Routed Electronically²



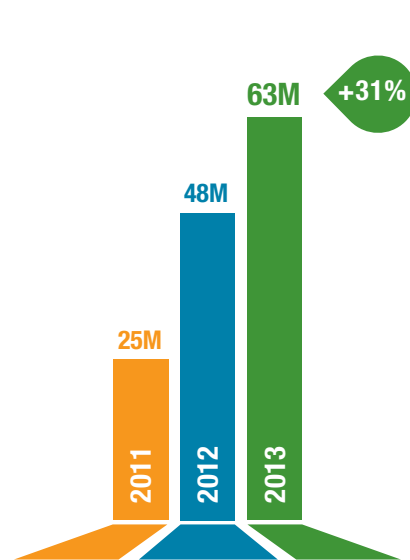
The Surescripts network routed more than one billion e-prescriptions in 2013, representing 58% of all eligible prescriptions. This shows a 32% increase in volume over 2012 and almost double the total in 2011.

19% Continued Growth in Medication Histories Delivered



Surescripts exchanged nearly 700 million Medication History transactions in 2013, up from nearly 400 million in 2011.

Mail-Order Pharmacies Routed 31% More E-Prescriptions



In 2013, Surescripts saw a 31% increase in the number of e-prescriptions routed to mail-order pharmacies. The volume of e-prescriptions routed to mail-order pharmacies has increased significantly in the past five years, from just below 4 million in 2009 to more than 63 million in 2013.

¹ Based on a total count of 522,000 office-based physicians in the U.S. per SK&A data. Surescripts' count of active-physician responses represents those ambulatory-care physicians who used electronic prescription routing within the last 30 days of 2013. For the calculation of active office-based physicians in 2013, Surescripts made a 15% adjustment to remove acute physicians that are e-prescribing.

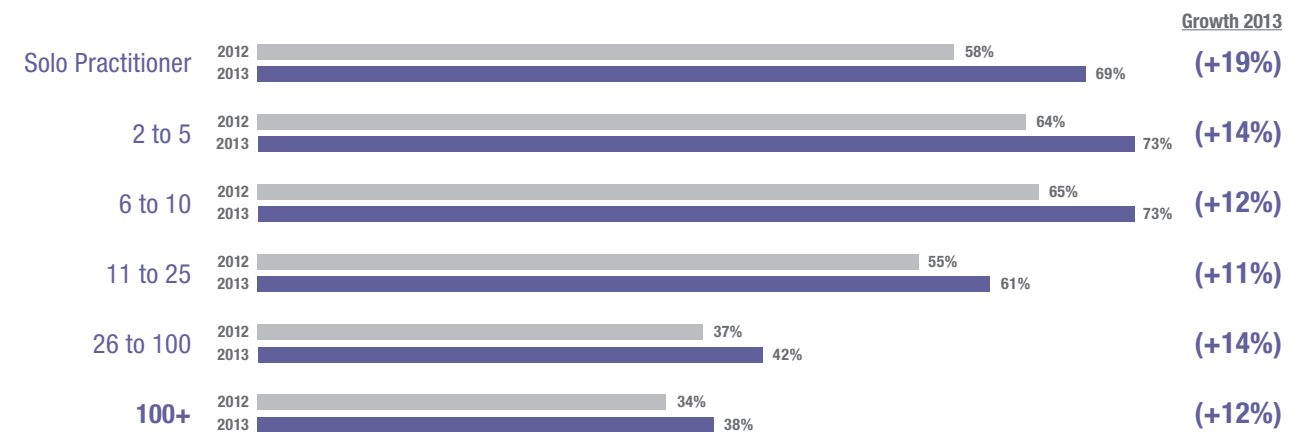
² Electronic prescriptions of controlled substances are not included.

ELECTRONIC PRESCRIBING ADOPTION

Pediatricians Lead Growth in E-Prescribing Adoption with 24% Increase

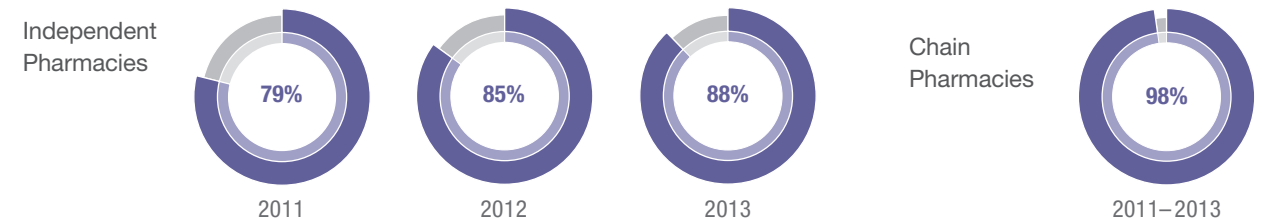
SPECIALTY	E-PRESCRIBING IN 2012	E-PRESCRIBING IN 2013	YEAR-TO-YEAR GROWTH
1 Internist	79%	96%	+22%
2 Family Practitioner	71%	85%	+20%
3 Endocrinology & Metabolism	71%	81%	+14%
4 Cardiovascular Disease	72%	80%	+11%
5 Pediatrician	63%	78%	+24%

Solo Practitioners Drive Growth in E-Prescribing Adoption



Small practices of 25 or fewer physicians continue to lead in e-prescribing adoption. All practice sizes except those of 100 or more physicians exceeded 40% adoption.

95% of Pharmacies Adopted E-Prescribing



Adoption of e-prescribing by independent pharmacies changed 11% between 2011 and 2013.

Chain pharmacies remained constant at 98% adoption during the same period.

A Community View*

In a typical metropolitan area with a population of 2 million, such as Cleveland, Ohio or Kansas City, Missouri, a web of providers and payers navigates a complex system to provide quality care to an increasingly informed and digitally connected patient.

The complexity of the healthcare system multiplies with the added communications needs among nursing homes, retail clinics, and long-term care facilities or when a patient needs care while traveling outside their local community.

Data is the life blood of healthcare, but the benefits of improving patient care, increasing efficiency and decreasing costs, cannot be realized if health information exists in isolation.

Health information technology offers significant promise. The ability to share clinical information, quickly and securely, will transform the healthcare system. The electronic exchange of health information can help improve quality and control costs, but this simple idea is a difficult task given the complexity of the U.S. healthcare system.

Surescripts has the infrastructure, data network, provider and supplier directories, and experience in developing standards to ensure that the healthcare system is connected and interoperable.

+ 36 Hospitals^{3, 4, 5}

- 817,205 ER Visits⁶
- 5,797 Beds⁷
- 13 EHRs⁸

4,451 Primary Care Physicians¹²

- 6.3 Million Patient Visits¹³
- 1 Million Referrals¹⁴
- 58 EHRs⁸

Rx 400 Pharmacies⁹

- 12.7 Million Prescriptions¹⁰
- 16 Software Systems¹¹

784 Ambulatory Labs¹⁵

- 8.9 Million Ambulatory Lab Tests¹⁴

POPULATION: 2 MILLION

MESSAGES: 68 MILLION

CONNECTIONS: 6,838

³Surescripts' analysis of American Hospital Association data and U.S. Census Live Tracker Data.

⁴American Hospital Association. Fast Facts on U.S. Hospitals. Available at <http://www.aha.org/research/rc/stat-studies/fast-facts.shtml>.

⁵Source: <https://www.census.gov/popclock/>. Accessed 3/10/2014 at 11:12am et.

⁶Surescripts' analysis of NHAMCS data: National Hospital Ambulatory Medical Care Survey: 2010 Emergency Department Summary Tables, tables 1, 4, 14, 24.

Available at <http://www.cdc.gov/nchs/fastats/ervisits.htm>.

⁷Surescripts' analysis of American Hospital Association data.

⁸Surescripts' analysis of 'CMS Medicare and Medicaid EHR Incentive Program, electronic health record products used for attestation.' Data available at <http://catalog.data.gov/dataset/cms-medicare-and-medicaid-ehr-incentive-program-electronic-health-record-products-used-for>.

⁹Surescripts' analysis of National Council for Prescription Drug Plan pharmacy data.

¹⁰Surescripts' analysis of 'Total Number of Retail Prescription Drugs Filled at Pharmacies.' Kaiser Family Foundation. Available at: <http://kff.org/other/state-indicator/total-retail-rx-drugs/>.

¹¹Surescripts' estimate.

¹²Surescripts' analysis of SK&A data.

¹³Surescripts' analysis of National Ambulatory Medical Survey: 2010 Summary Tables. Available at http://www.cdc.gov/nchs/data/ahcd/namcs_summary/2010_namcs_web_tables.pdf.

¹⁴Ibid.

¹⁵Surescripts' analysis of Laboratory Corporation of America Holdings. Form 10-K, December 31, 2013.

*This infographic is for illustrative purposes and represents the complexity of health information in a typical metropolitan area with a population of 2 million people based on publicly available data and other sources as cited. It is not representative of actual Surescripts network connections or transactions.

Connecting healthcare is a monumental task, but real progress is occurring and the impact is tangible. Surescripts has been connecting, exchanging, and activating health information for over a decade, starting with e-prescribing and broadening across other areas of healthcare. Our experience is significant and our potential far-reaching.

The vast majority of e-prescription data in America flows through our network, including prescription, medication history, formulary and benefits information. The range of information that we exchange is expanding and we continually develop services to help people identify and access it.

Medication History:

Improving Patient Safety and Driving More Accountable Care

Adverse drug interactions present significant risks to patient safety, especially in hospitals where a patient cannot communicate their medications because they are unconscious or in a compromised state. Surescripts provides access to a patient's comprehensive, real-time, electronic medication history, based on PBM claims and pharmacy fill data, prior to administering treatment. Electronic access to medication history improves patient safety and is leading the way to more accountable care by:

- Reducing the risk of adverse drug events (ADEs) by increasing the identification of medications most likely to cause them.
- Supporting more informed decisions across care transitions.
- Enabling more efficient medication reconciliation, which reduces patient readmissions.



40%

More than **40%** of medication errors result from inadequate medication reconciliation.¹⁶



770,000

More than **770,000** people die or are injured annually from ADEs.¹⁷



23%

23% of patients readmitted within 30 days of discharge had an ADE as either a primary or secondary diagnosis.¹⁸



66%

Surescripts can provide medication history for approximately **66%** (two-thirds) of the U.S. population.

30% IMPROVED COMPLETENESS OF MEDICATION HISTORY

20 Min. SAVINGS PER PATIENT

2 Billion+ PRESCRIPTION RECORDS

EPCS:

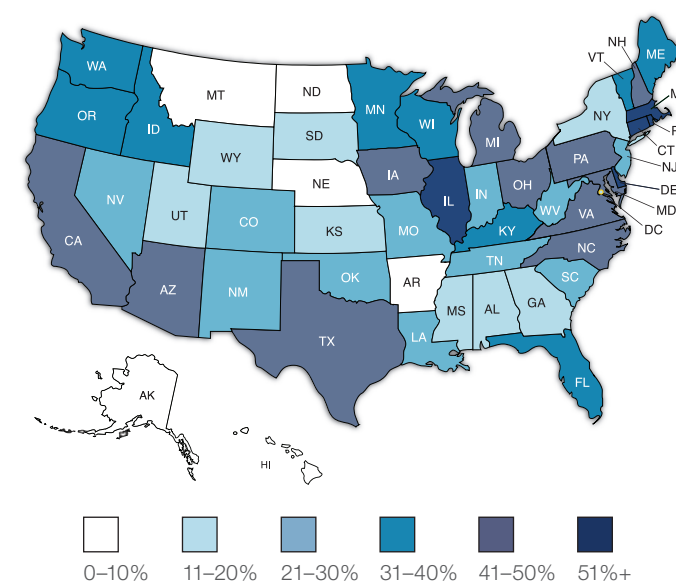
Addressing Controlled Substance Fraud and Abuse

Controlled substance fraud and abuse is at an all-time high. Since 1995, drug overdoses have tripled and in 2009, there were **1.2 million** Emergency Department visits related to substance abuse. Today, between **3% and 9%** of drugs that are diverted for abuse are tied to fraud and forgery of paper prescriptions.¹⁹ The electronic prescribing of controlled substances can help combat this epidemic by replacing the fraud-prone paper prescription pad. The Drug Enforcement Administration found that e-prescribing could yield up to **\$700 million** in annual savings.²⁰

Surescripts' Electronic Prescribing of Controlled Substances (EPCS) provides one electronic workflow for all prescriptions, reduces fraud and abuse, and improves safety by reducing the diversion of controlled substances.

- EPCS is legal in **47 states and DC**.
- **98%** of providers who e-prescribe also prescribe controlled substances.²¹
- Controlled substances represent **13%** of all prescriptions.²²
- **40%** of pharmacies are enabled for EPCS.

Percent (%) of Pharmacies Enabled for EPCS



Immunization Services:

Driving More Coordinated Care

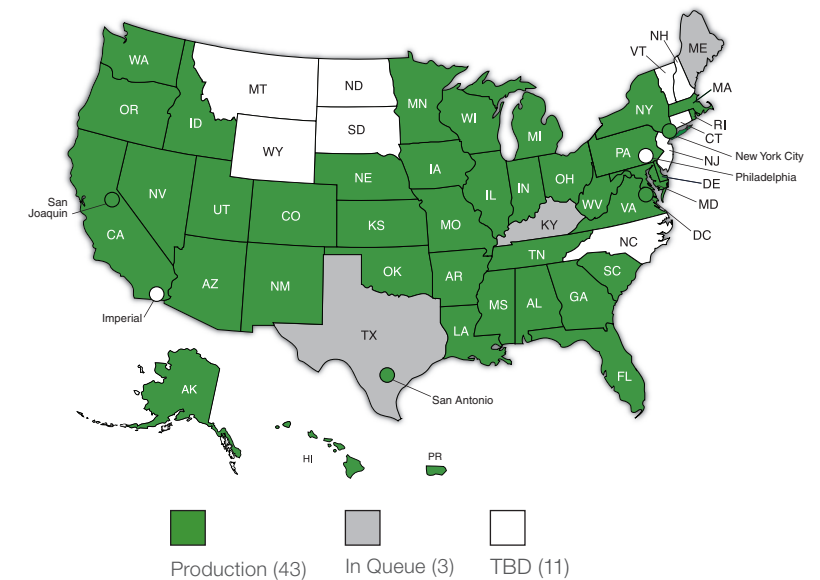
Over the past 50 years, the growth and effectiveness of vaccines have helped reduce preventable diseases such as polio, measles and rubella by **99%** according to the CDC. Today, care providers are looking to utilize immunizations to address more adaptable viral diseases, like influenza, that require serial vaccinations. Yet, in 2013, only **41.5%** of the U.S. population received the influenza vaccination.²³

Pharmacies and retail clinics are playing an increasingly important role in immunizations. Today, nearly **45%** of all adult influenza vaccinations occur in pharmacies and retail clinics.²³

Surescripts offers two Immunization Services to help improve the coordination of care.

- Immunization Notifications provide physicians a more complete view of a patient's medical history, so they can ensure the best course of treatment.
- Immunization Registry Reporting simplifies the process of providing immunization information to mandatory and voluntary state and regional registries, allowing pharmacies to save time and other resources.

Surescripts Connects to 43 Immunization Registries



Surescripts connects to **43 immunization registries** nationwide, covering more than **246 million** individuals (**80%** of the U.S. population in 2010).

¹⁶ Rozich JD, Howard RJ, Justeson JM, et al. Patient safety standardization as a mechanism to improve safety in healthcare. *Jt. Comm J Qual Saf* 2004; 30(1):5-14.

¹⁷ The Agency for Healthcare Research and Quality (AHRQ).

¹⁸ *FormularyWatch*.

¹⁹ Butler SF, Budman SH, Licari A, et al. National addictions vigilance intervention and prevention program (NAVIPPRO): a real-time, product-specific, public health surveillance system for monitoring prescription drug abuse. *Pharmacoepidemiol Drug Saf* 2008;17:1142-54. ALSO, Rosenblum A, Parrino M, Schnoll SH, et al. Prescription opioid abuse among enrollees into methadone maintenance treatment. *Drug Alcohol Depend* 2007; 90:64-71.

²⁰ DEA, U.S. Department of Justice, Economic Impact Analysis of the Interim Final Prescription Rule, March 2010.

²¹ 2010 Surescripts survey of 1,375 providers who e-prescribed.

²² National Association of Chain Drug Stores (NACDS 2013).

²³ U.S. Centers for Disease Control & Prevention.

E-Prescribing Adoption and Use

Safe-Rx Rankings measure each state's progress in advancing healthcare safety, efficiency and quality through the adoption and use of e-prescribing. The rankings recognize the full utilization of e-prescribing based on volume of use of Surescripts' Prescription Benefit, Medication History and Prescription Routing services.

2013	STATE	2012	2013	STATE	2012
1	DELAWARE	1	27	FLORIDA	23
2	MINNESOTA	2	28	SOUTH CAROLINA	32
3	VERMONT	7	29	ILLINOIS	30
4	WISCONSIN	11	30	RHODE ISLAND	26
5	MASSACHUSETTS	5	31	MARYLAND	25
6	NORTH DAKOTA	15	32	HAWAII	34
7	CONNECTICUT	13	33	LOUISIANA	45
8	NORTH CAROLINA	6	34	MONTANA	42
9	NEW HAMPSHIRE	4	35	TENNESSEE	36
10	SOUTH DAKOTA	10	36	IDAHO	38
11	MICHIGAN	16	37	ARKANSAS	41
12	OREGON	20	38	NEW YORK	33
13	NEBRASKA	17	39	NEW MEXICO	21
14	KANSAS	22	40	TEXAS	40
15	VIRGINIA	19	41	GEORGIA	39
16	KENTUCKY	31	42	ARIZONA	29
17	OHIO	3	43	OKLAHOMA	43
18	INDIANA	24	44	MISSISSIPPI	44
19	MAINE	9	45	NEW JERSEY	37
20	PENNSYLVANIA	14	46	WYOMING	46
21	WEST VIRGINIA	18	47	COLORADO	47
22	WASHINGTON	28	48	CALIFORNIA	49
23	UTAH	27	49	NEVADA	48
24	IOWA	12	50	DISTRICT OF COLUMBIA	51
25	ALABAMA	35	51	ALASKA	50
26	MISSOURI	8			

Safe-Rx Highlights*

- Wisconsin, North Dakota and Connecticut all moved into the top 10 for the first time.
- E-prescribing routing has increased to where the last place state in 2013 would have been the first place state in 2009, by a margin of 13 percentage points.
- All states routed at least 45% of eligible prescriptions electronically.

*Detailed state data is available at www.surescripts.com.

Delaware has ranked in the top 5 since the Safe-Rx rankings began in 2007.

81% OF PHYSICIANS IN DELAWARE ROUTED PRESCRIPTIONS ELECTRONICALLY

3.8 Million ELECTRONIC PRESCRIPTIONS ROUTED IN DELAWARE

84% OF PATIENTS IN DELAWARE WITH AVAILABLE PRESCRIPTION BENEFIT OR PRESCRIPTION HISTORY INFORMATION



ABOUT SURESCRIPTS

Surescripts is a nationwide health information network that connects, exchanges, and activates health information between pharmacies, payers, pharmacy benefit managers, physicians, hospitals, health information exchanges and health technology firms. By providing information for routine, recurring and emergency care, Surescripts is committed to saving lives, improving efficiency and reducing the cost of healthcare for all. For more information, go to www.surescripts.com and follow us at twitter.com/surescripts.

NETWORKS, CONNECTED.
INFORMATION, ACTIVATED.
CARE, COORDINATED.



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