



## Rx: Health Care FYI #12

**Subject:** *Information Technology Can Transform Health Care*

**From:** *Rep. Tim Murphy (PA-18)*

**Health Information Technology (Health IT), including Electronic Medical Records and Electronic Prescribing, has the potential to save thousands of lives and over \$100 billion dollars in annual health care costs.**<sup>1</sup>

**The problem:** We have an inefficient paper based health care system that contributes to large numbers of medical errors. A new system is needed that emphasizes efficiency, patient safety, lowers costs and saves lives. Uniform standards will allow health care facilities to communicate to each other and securely share information as needed.

- Massive increases in medical information make it increasingly difficult for physicians to coordinate clinical care using up to date medical research.
- Physicians do not have ready access to complete information about their patients. This sets the stage for preventable medical errors.
- A patient's vital medical information is scattered across medical records kept by many different caregivers in many different locations, often unavailable at the time of care.
- Medical orders and prescriptions are handwritten and are too often misunderstood or not followed in accordance with the physician's instructions.
- Consumers lack access to useful, credible health information about treatment alternatives, which hospitals and physicians are best for their needs, or their own health status.

**What is health information technology?** Products, devices, or systems that allow secure and confidential electronic collection, storage, exchange or management of patient information.

**What are standards and why are they important?**

- Allow for medical information on a patient to be stored and shared electronically between health care systems while assuring privacy and security.
- Give medical staff the information that they need to properly treat patients, avoid medical mistakes and prescription drug errors.
- A Health IT network is developing but each is organized differently. Lacking standards, health care providers face major obstacles in meeting the goal of offering complete health care information to Americans at the time and place of care, no matter where it originates.
- Without standards, each electronic records system will operate independently creating a Tower of Bable effect.

**The federal government and the states lack uniform standards for Health IT:**

- 23 federal agencies/departments have already adopted their own standards for the electronic exchange of clinical information without any coordination with private industry or individual state Health IT initiatives.<sup>2</sup>
- 32 states and the District of Columbia have health information initiatives with various amounts of funding already invested.<sup>3</sup>
- If these effects are not coordinated, more confusion will result.

**The federal government is investing millions of dollars into Health IT projects without any uniform standards:**

- The federal government has funded \$140 million in grants and contracts, for a variety of different Health IT projects, **without** establishing uniform standards between them.<sup>4</sup>

**States are investing millions into their own health information technology systems and regional health information technology networks:**

- In Pennsylvania, The University of Pittsburgh Medical Center and IBM have committed nearly \$1 billion to building a regional Health IT network.<sup>5</sup>

<sup>1</sup> Walker, Jan. et. al. The Value of Health Care Information Exchange And Interoperability. Center for Information Technology Leadership. January 2005. : eHealth Initiative. Electronic Prescribing:Toward Maximum Value and Rapid Adoption. April 2004. : Center for Information Technology Leadership 2004.

<sup>2</sup> White House. Presidential Initiatives. Consolidated Health Informatics.

<sup>3</sup> Marchibroda, Janis. American Health Quality Foundation eHealth Initiative Advisory Panel. February 24, 2005.

<sup>4</sup> HHS Press Release. HHS Awards \$139 Million To Drive Adoption of Health Information Technology. October 13, 2004.

<sup>5</sup> UPMC. IBM and UPMC \$402 Million Agreement Means Economic Development for Region. April 2005.

- In California, Kaiser Permanente, Sutter Health and the WellPoint Foundation each provided \$1 million in grants to building a regional Health IT network.<sup>6</sup>
- In Nebraska, the Nebraska Public Service Commission (PSC) has committed \$900,000 annually with additional contributions from hospitals to support a regional network.<sup>7</sup>
- Communication glitches between hospitals and providers will result in wasted money and increased health errors.

**The Solution: The 21<sup>st</sup> Century Health Information Act**

- Creates regional networks to link and coordinate information technology between facilities.
- Allows private industry to establish uniform standards to allow different Health IT networks to talk to each other, share information and improve patient safety.
- Offers grants to facilitate the coordination of Health IT efforts.
- Only regional networks seeking funding through this grant program will require approval by the Secretary of HHS.

Leverages federal resources to remove obstacles to get Health IT into doctors' hands:

- Restores \$50 million in funding for Health IT requested by the President in FY 2005, to spur the creation of Health IT in regional networks in the states.
- Gives preference to small physician groups.
- Provides a safe harbor for hospitals and doctors to coordinate their work on Health IT.
- Allows the Secretary of HHS to use federal resources, including Medicare and Medicaid payments, to reward quality and efficiency improvements to health care facilities that use Health IT.

Centers on the patient:

- Ensures patient privacy under established laws.
- Guarantees patients have access to their own health information.
- Allows patients to opt out of regional networks.

Allows for improved quality reporting:

- Allows patients to report health information to HHS to improve patient safety and ensures that regional network plans promote quality, patient safety and efficiency in health care.
- Ensures that networks meet quality health care performance measures adopted by the National Quality Forum to improve health care quality and patient safety.

**The federal government's role:**

- On May 4, 2005 HHS Secretary Michael Leavitt released his 500 day plan with goals that include, convening a national collaboration to further develop, set and certify health information technology standards and outcomes for interoperability, privacy and data exchange.<sup>8</sup>
- Congress approved the FY 2006 Budget Resolution, which includes language creating a reserve fund allows for a 4 year period to demonstrate how much money health care IT and pay-for-performance projects save, provided that the legislation does not raise the deficit for fiscal years 2006- 2010.
- MedPAC, the Medicare Payment Advisory Board, recommended in its report that Congress should authorize rewards for providers using certain information technologies and establish a loan program to help community-based providers build interoperable IT systems.
- The president has included \$125 million in the FY 2006 budget to continue progress in developing health information technology.<sup>9</sup>
- The 21<sup>st</sup> Century Health Information Act will provide the 5 "C's," to transform health care, including increased:
  - Confidentiality – by keeping medical records secure and protecting privacy.
  - Communication - between hospitals and providers.
  - Care – by providing up to the minute research to physicians.
  - Coordination – between health providers, patients and insurance companies; and
  - Lower Cost – by reducing medical and medication errors.

<sup>6</sup> Health Technology Center. The Health Technology Center Announces Grants from Major California Health Care Organizations to Launch CalRHIO. April 2005.

<sup>7</sup> Government Technology. Nebraska Gov. Unveils Statewide Telehealth Network. November 2004.

<sup>8</sup> U.S. Department of Health and Human Services. Secretary Leavitt's 500 Day Plan. May 4, 2005.

<sup>9</sup> U.S. Office of Management and Budget. Health Care. 2005.

**To become a cosponsor of the 21<sup>st</sup> Century Health Information Act of 2005 to transform our nation's health care system:**

- Contact Congressman Murphy's Health Care Legislative Assistant Michael Baxter at 225-2301 or [Michael.Baxter@mail.house.gov](mailto:Michael.Baxter@mail.house.gov).