

DISCUSSION

The United States spends more per capita on health care than any other industrialized nation, yet often ranks much lower on indicators of health care quality.

According to a study by the Institute of Medicine, medical errors kills between 44,000 and 98,000 Americans each year. Indeed, medical error represents the fifth leading cause of death in the United States.

One way to reduce error, improve the quality of health care and decrease the costs of providing care is to implement a health information technology system. A health information technology system would allow medical information exchange between consumers, insurers, health care providers, researchers and government agencies. This system would ensure that accurate, updated medical information is available wherever and whenever a patient is treated so providers can more accurately and quickly diagnose and treat patients. Health information technology should help to prevent medical errors, reduce administrative costs, and expand access to affordable care.

Health information technology is often defined in terms of the initiatives that fall under its scope, such as electronic health records, telehealth, electronic ordering systems, decision support tools, networks, and infrastructure.

Researchers point to health information technology's use in realizing efficiency savings, increased safety, and quality improvements.

- **Efficiency Savings** – One report in the journal *Health Affairs* projects that the United States could save up to \$513 billion over the next 15 years if the country adopts a national health information technology system.
- **Increased Safety** – Studies by the Institute of Medicine have estimated that between 44,000 and 98,000 deaths occur each year due to medical errors. Undoubtedly, some of these deaths would be prevented with better information technology, and various reports argue that adverse drug effects could be drastically reduced.
- **Quality Improvements** – Health information technology can be used to develop clinical-effectiveness research, process improvements, and more potent prevention programs.

COSTS

Researchers at the University of California-San Francisco provide one cost estimate for implementing electronic health records for a single health care provider is about \$44,000 to set up and at least \$8,500 per year to maintain.

About CSI

The Center for State Innovation (CSI) believes every state can achieve shared prosperity, environmental sustainability, and efficient democratic government. We offer evidence-based, outcome-measured, fiscally prudent strategies for doing so.

A non-partisan, not-for-profit institution, CSI provides many types of assistance to state executives interested in implementing progressive policies.

To learn about CSI's Policy Briefings, Strategy Academies, and other services offered at no cost, visit www.stateinnovation.org.

One Health Affairs report put the cost of developing a national health information technology network at \$103 billion in capital costs and an additional \$53 billion to ensure interoperability between providers. While this investment in modernizing the health care system is significant, a study by the RAND Corporation estimates a potential cumulative efficiency savings for the entire health sector of more than \$620 billion over 15 years.

PUBLIC PERCEPTION

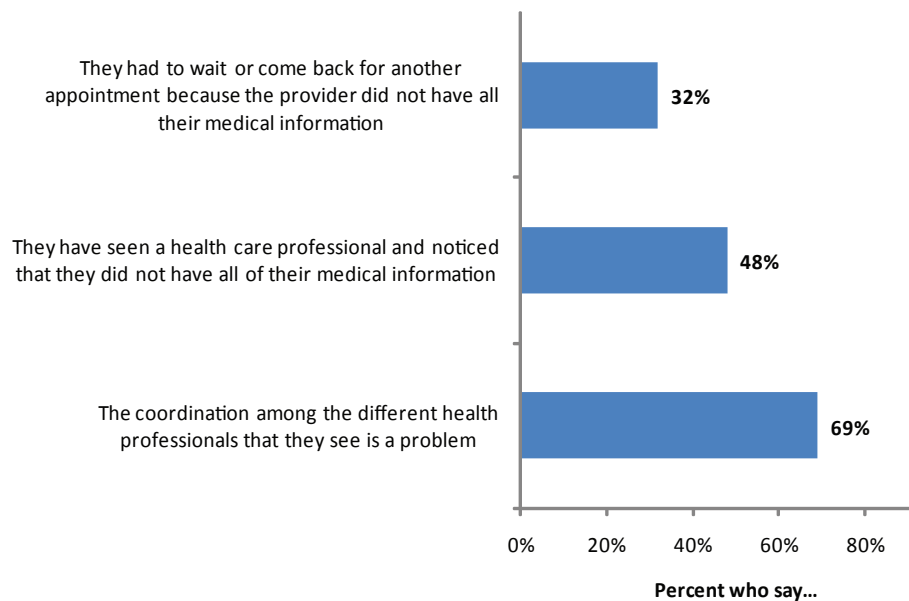
Although the U.S. has been slow to adopt health information technology, strong bipartisan support has been shown on the federal and state level. According to recent surveys, most health care consumers would like to check and refill prescriptions online, get test results electronically, and email their doctors.

A poll by the National Survey on Consumers' Experiences with Patient Safety and Quality Information indicates that health care consumers have experienced problems due to inadequate management of their medical information (See Chart).

Exit polls from the 2008 presidential election showed that health care is the third most important issue to voters, and the second most important domestic issue. A Kaiser Health Care tracking poll shows that the top health care issues voters wanted the presidential candidates to discuss were: (1) reducing costs, (2) expanding coverage, and (3) improving quality. Health information technology can be used to both reduce costs and improve quality, and these savings may make health care more affordable, effectively expanding coverage.

CHART

Perceptions on Health Information Technology



Source: National Survey on Consumers' Experience with Patient Safety and Quality Information

Furthermore, 72% of respondents said that “requiring hospitals to develop systems to avoid medical errors” would be “very effective” in reducing preventable medical errors. Another 51% of respondents said that “more use of computerized medical records and computers instead of paper records for ordering of drugs and medical tests” would be “very effective” in reducing preventable medical errors.

Public opinion can also be seen by public action. After two years of development, Internet giant Google launched a health information technology application, Google Health in May of 2008. The thousands of users who signed up immediately created a profile into which they can enter health information or import information from the records of dozens of partner providers.

TALKING POINTS

Don't hospitals and doctor's offices already have health information technology?

In a 2005 report, the RAND Corporation found that only about 20 to 25 percent of hospitals and 15 to 20 percent of physicians' offices had health information technology systems.

Won't this make health care even more expensive?

While it is true that hospitals and doctors' offices may be required to invest in new technology solutions, the long-term picture shows overall cost savings due to improvements in efficiency, safety, and health quality.

Won't different state health IT systems result in less connectivity?

Interoperability is a major issue in health information technology, and that is why efforts have been made to start developing national standards. In August 2006, the Department of Health and Human Services (HHS) approved three sets of “interoperability specifications.” These specifications are the first step toward national standards. In January of 2007, HHS approved four prototypes of a national health information network, and steps are being taken to connect these prototypes to state networks.

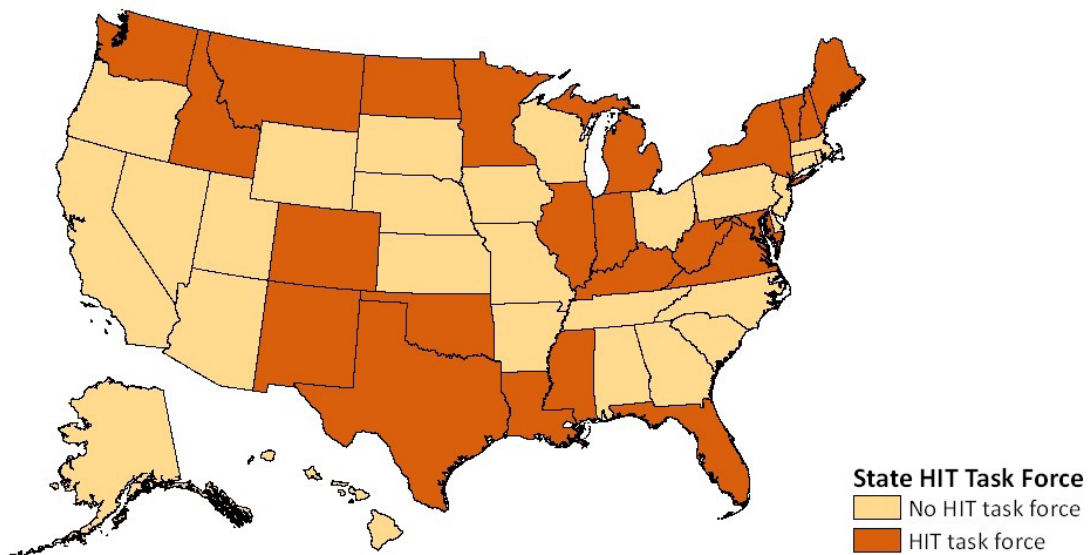
What about privacy concerns?

Health and treatment records will remain confidential, with many security measures in place to allow consumers the same protections and confidence they have long held in the technology they use in banking, making airline reservations, paying bills, and filing tax returns.

WHO ELSE IS DOING IT?

The Department of Health and Human Services (HHS) has moved forward on some health IT initiatives and created the position of National Coordinator for Health Information in 2004. Interoperability is an issue that the federal government could play a lead role coordinating, but states are critical to successful implementation, and many have begun studying its potential.

As of 2008, at least twenty-two states (Idaho, Illinois, Indiana, Florida, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Montana, New Hampshire, North Dakota, New Mexico, New York, Oklahoma, Texas, Vermont, Virginia, Washington, West Virginia) had created task forces to study the potential implementation of health information technologies.



SPOTLIGHT ON INNOVATION

Pennsylvania: On March 27, 2008, Governor Edward G. Rendell signed 2008 Executive Order 2008-03 creating the Pennsylvania Health Information Exchange. This network, known as PHIX, will be an interoperable electronic medical record and electronic prescribing system.

Arizona: The Council of State Governments granted the 2007 Innovation Award to Governor Janet Napolitano for the Arizona Health-e Connection, a national model for state governments looking to develop public-private partnerships that encourage electronic record systems.

WHAT CAN YOU DO?

There are a number of ways that state executives can promote health information technology in their states. The Center for State Innovation has model legislation to create a task force to examine your state's needs and develop a strategy for the adoption of electronic health records. State executives can also help to implement solutions in their state by convening a summit to bring experts and policy makers together. In certain cases, these exploratory initiatives have resulted in permanent private organizations that work to facilitate collaboration between health care consumers and providers for better service.

RESOURCES

Policy Reports

Agency for Healthcare Research and Quality: U.S. Department of Health and Human Services

- Costs and Benefits of Health information technology
<http://www.ahrq.gov/downloads/pub/evidence/pdf/hitsyscosts/hitsys.pdf>

Alliance for Health Reform

- Health information technology and Privacy
http://allhealth.org/briefing_detail.asp?bi=122

Congressional Budget Office

- Evidence on the Costs and Benefits of Health information technology
<http://www.cbo.gov/ftpdocs/91xx/doc9168/MainText.3.1.shtml#1096053>

Department of Health and Human Services

- “Health information technology”
<http://www.hhs.gov/healthit/>

Health Affairs

- Health Care Spending and Use of Information Technology in OECD Countries
<http://content.healthaffairs.org/cgi/reprint/25/3/819>

Health Leadership Council

- HLC Talking Points for Health information technology
http://www.hlc.org/html/talking_points9.html

Kaiser Family Foundation

- Reducing Medical Error
http://www.kaiseredu.org/topics_im.asp?id=137&parentID=70&imID=1

The Markle Foundation

- Linking Health Care Information: Proposed Methods for Improving Care and Protecting Privacy
http://www.connectingforhealth.org/assets/reports/linking_report_2_2005.pdf

Progressive States Network

- Health Care for All (Agenda)
<http://www.progressivestates.org/content/786/health-care-for-all-on-the-installment-plan>

Robert H. Miller, Christopher West, Tiffany Martin Brown, Ida Sim, and Chris Ganchoff

- “The Value of Electronic Health Records in Solo or Small Group Practices”
<http://content.healthaffairs.org/cgi/content/full/24/5/1127>

Opinion Polls

Kaiser Family Foundation

- Five Years after IOM Report on Medical Errors, Nearly Half of All Consumers Worry About the Safety of their Health Care
<http://www.kff.org/kaiserpolls/pomr111704nr.cfm>

Kaiser Family Foundation / Agency for Healthcare Research and Quality / Harvard School of Public Health

- National Survey on Consumers' Experiences with Patient Safety and Quality Information
<http://www.kff.org/kaiserpolls/upload/National-Survey-on-Consumers-Experiences-With-Patient-Safety-and-Quality-Information-Survey-Summary-and-Chartpack.pdf>

Robert Wood Johnson Foundation

- Chronic Conditions: Making the Case for Ongoing Care
<http://www.rwjf.org/pr/product.jsp?id=14685>

State Programs

Arizona

- State of Arizona Executive Office News Release
http://www.azgita.gov/tech_news/2007/07-09-24%20Health-e%20Connection%20Award.pdf
- Arizona Health E-Connections
<http://www.azhec.org/aboutAzHeC.jsp>

Florida

- The Florida Health Information Network
<http://www.fhin.net/index.shtml>

Idaho

- Idaho Health Data Exchange
<http://www.idahohde.org/about.html>

Illinois

- Electronic Health Records Taskforce
http://www.idph.state.il.us/ehrtf/ehrtf_home.htm

Indiana

- Indiana Health Information Exchange
<http://www.ihie.com/>

Kentucky

- Kentucky E-Health
<http://ehealth.ky.gov/>

Louisiana

- Louisiana Rural Health Information Exchange
<http://www.larhix.org/Home/tabid/36/Default.aspx>

Maine

- Health Info Net
<http://www.hinfont.org/index.html>

Maryland

- Task Force to Study Electronic Health Records
<http://mhcc.maryland.gov/electronichealth/taskforceinfo.html>

Michigan

- Michigan Health Information Technology Commission
http://www.michigan.gov/mdch/0,1607,7-132-2946_44257---,00.html

Minnesota

- Health Care Transformation Task Force
<http://www.health.state.mn.us/divs/hpsc/hep/transform/>

Montana

Montana AHEC & Office of Rural Health

- Montana Health Information Technology Initiatives
<http://healthinfo.montana.edu/November2006/Oct%202006-Montana%20HIT.pdf>

North Dakota

- North Dakota Health Information Technology Steering Committee
<http://ruralhealth.und.edu/projects/sorh/hit.php>

New York

Department of Health

- Health Information Technology
<http://www.health.state.ny.us/technology/>

Texas

Department of State Health Services

- Health Information Technology Advisory Committee
http://www.dshs.state.tx.us/chs/shcc/hitac/hitac_default.shtm

Virginia

- Health Information Technology Council
<http://www.healthitcouncil.vi.virginia.gov/>

Vermont

Vermont's Health Care Reform

- Health Care Information Technology
http://hcr.vermont.gov/improve_quality/healthcare_IT

Washington

- Washington Health Information Collaborative
<http://www.wahealthinfocollaborative.org/>

West Virginia

- West Virginia Health Information Network
<http://www.wvhin.org/>

State Legislation and Executive Orders

Idaho

- 2006 Session Law Chapter 243
<http://www3.state.id.us/oasis/2006/H0738.html#enr>

Illinois

- Public Act 094-0646
<http://www.ilga.gov/legislation/publicacts/94/PDF/094-0646.pdf>

Indiana

- P.L.111-2007
http://www.in.gov/legislative/pdf/acts_2007.pdf

Kentucky

- KRS 216.261-269
<http://www.lrc.ky.gov/record/O5rs/SB2.htm>

Mississippi

- Executive Order 979
<http://www.governorbarbour.com/proclamations/Executive%20Order%20Home%20Page/EO-HealthInfrastructure.htm>

New Hampshire

- Executive Order 2008-06
<http://www.sos.nh.gov/EXECUTIVE%20ORDERS/lynch2008-06.pdf>

New Mexico

- House Bill 0428
<http://www.nmlegis.gov/Sessions/07%20Regular/final/HB0428.pdf>

Oklahoma

- Executive Order 2008-4
<http://www.sos.state.ok.us/documents/Executive/608.pdf>

Pennsylvania

- Executive Order 2008-03
<http://www.rxfarpa.com/assets/pdfs/PHIX.pdf>