Hearing Statement of Senator Max Baucus (D-Mont.)
On Health Information Technology Improving Care and Reducing Costs
As prepared for delivery

Ralph Waldo Emerson once wrote, "Progress is the activity of today and the assurance of tomorrow."

This committee has held several hearings on overhauling the health care system to emphasize value over volume. Today, we will discuss a vital tool to assure this mission is completed: health information technology.

Over the past decade, when you went to the doctor, he likely kept track of your important health information by hand writing notes into a paper chart. Then that chart, several inches thick, was filed away in a storage room where no other doctor had access to it.

If you needed to see a cardiologist or surgeon, that specialty doctor couldn't see your paper record. Maybe your primary care doctor faxed over your information.

But more likely, the specialist would just ask you the same questions and create their own paper record and duplicate the same tests as your primary doctor.

If you went to the hospital, the situation was the same. Diagnostic and lab tests were all recorded on paper, and your primary care physician might have no idea what happened during your hospital stay.

What resulted from this system? Duplicative, costly tests, fragmented care and dangerous medical errors. We needed a better system.

Other industries were using information technology to reduce costs and to improve service. Health care needed to catch up.

In 2009, Congress passed the Health Information Technology for Economic and Clinical Health Act, known as HITECH. Under this law, Medicare and Medicaid gives providers financial incentives to adopt health information technology and "meaningfully use" it.

Meaningful use means prescribing medication electronically to eliminate errors from scribbled, hand-written prescriptions. It means ordering a different medication when the IT system warns the patient has a drug allergy. And it means sharing information electronically among providers so they can coordinate patients' care. The result is better health care at reduced costs.

The 2009 law allocated $33 billion to help hospitals and physicians move to electronic systems. To date, Medicare and Medicaid have given out fifteen billion dollars.

As of this past May, nearly 80 percent of hospitals and half of physicians have received incentive payments because they have invested in health information technology.

One of our witnesses, Dr. Farzad Mostashari will tell us that three years ago nearly 93% of prescriptions were hand-written. Today, that number has dropped to less than half.

There are clear signs of progress, but we need to learn more. Is the 2009 law, HITECH, working as intended? Is the money being spent efficiently? How much longer until there is seamless, coordinated care for patients?

We also need to understand why there are disparities between rural and urban areas. Only a third of rural hospitals have a health information technology system, compared to half of all urban hospitals. What can be done to reduce this disparity?

Ultimately, technology must become part of the culture of health care delivery. New payment models such as accountable care organizations, medical homes and bundled payments will drive providers to use information technology.

In these models, providers are held financially responsible for providing high quality, low cost care. To succeed, physicians must engage in coordinated care, disease prevention and chronic care management. Health information technology is indispensable to accomplish these tasks.

And key to this transformation is "interoperability." Computers must be able to talk to each other so that patients and their providers can access information wherever and whenever they need it.

We need to know where we are in achieving interoperability. How far have we come? What barriers are preventing us from moving faster? How do we overcome those barriers? Today we will hear from the administration about all of these issues.

Let us assess the challenges and opportunities. Most importantly, let us learn how we can best leverage technology to achieve better quality, better value care for patients. The stakes are too high to let this opportunity for progress to pass.

###