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KENNEDY'S HEALTH IT BILL PASSES UNANIMOUSLY

TODAY IS THE FIRST DAY OF THE FUTURE OF HEALTHCARE

Washington, D.C. Today, marking a dramatic step forward in healthcare, Senator Edward M. Kennedy's bill, the Wired for Health Care Quality Act of 2005 passed the United States Senate by unanimous consent. The bill will improve the care that patients receive, as we know that care declines in quality when physicians do not have access to timely information about the patients they serve. The bill will help curb health care costs, as we know that costs skyrocket when tests or procedures are duplicated because critical records are missing or inaccessible. The bill will save money, as we know that wasting scarce health care dollars on needless administrative costs drives up insurance premiums, and means that care is less affordable and less available. The Wired for Health Care Quality Act of 2005 sets forth the goal posts for improving health care through technology, reducing administrative costs and diminishing fatal errors caused by lack of information. Senator Kennedy has been speaking out on the benefits and need for health information technology since 1977.

Senator Kennedy said, "We have a responsibility to make the miracles of modern medicine available to every American. However, in our health care system, medical errors are all too common and coordination of care is often poor. Americans deserve a health care that controls rising costs and prevents premiums from crushing our health care system. Today is the first day of the future of health care."

IT systems are linked securely and with strong privacy protections to a patient's medical records and can improve care by warning a doctor or nurse if an order or prescription may harm a patient. These systems can issue reminders for screening tests, so that needed preventive care is not overlooked. Computerized records also allow doctors to look at a patient's entire medical record at once, improving care coordination in our fragmented health care system.

The savings from better IT use are enormous. The Federal government's estimate is that the nation would save \$140 billion each year from proper IT use. These savings from health IT could cut the cost of a family's insurance policy by over \$700--which equates to approximately a month of free health care. Despite the benefits of investment in health IT, utilization is low. The Wired for Health Care Quality Act of 2005 will give health care providers the assistance they need to invest in lifesaving health IT.

Kennedy also said, "Premiums are going through the roof. The ranks of the uninsured grow every day. When millions of Americans struggle to afford health care for their families, it is profoundly wrong to squander more than half a trillion dollars each year on administrative expenses from using obsolete paper records instead of modern information technology throughout the healthcare system."

STATEMENT OF SENATOR EDWARD M. KENNEDY
SENATE CONSIDERATION OF THE “WIRED FOR HEALTH CARE QUALITY ACT”
November 17, 2005

Today the Senate has the opportunity to pass legislation that can help transform our health care system and save lives. The “Wired for Health Care Quality Act” will improve the use of life-saving health information technology in hospitals and doctors’ offices across the country. In so doing, we’ll improve the quality of care, lower administrative costs, and reduce medical errors.

This legislation is being considered by the Senate because of the leadership and commitment of the Chairman of our Health Committee, Senator Enzi. He made health information technology a priority for our committee, and he’s guided this legislation to the Senate floor. Successful legislation takes creative thinking and hard work – and Senator Enzi has supplied an abundance of both to this measure.

I also thank our partners in this legislation, Senator Frist and Senator Clinton. As a surgeon, Senator Frist knows first hand the importance of making sure that doctors have the information they need to provide the best possible care for patients – and that they get that information in time for it to be of value. It's inconceivable that in the twenty-first century, doctors are asked to treat patients in life or death situation without knowing their medical histories or even the medications they’re taking – but that happens every hour of every day in hospitals and emergency rooms around the country. Senator Frist has been tireless in his commitment to correcting this unacceptable situation.

Senator Clinton has done an excellent job as well. She’s championed better studies of the comparative effectiveness of medications, she’s dedicated to improving the quality of care for every patient, and this legislation owes much to her ability and commitment.

This legislation is urgently needed, because we live in a new era of medical miracles and rapid changes in medicine.

Modern electronics have given doctors implantable pacemakers to save patients from sudden cardiac failure.

The sequencing of the human genome offers extraordinary opportunities for new cures and better treatments.

But there is another medical miracle to add to the list.

Modern information technology can transform health care as profoundly as any of these discoveries.

We have a moral responsibility to make the miracles of modern medicine available to

every American – but we have failed to meet that responsibility. Costs are crushing our health care system. Premiums are going through the roof. The ranks of the uninsured grow every day. Families are forced to choose between paying the cost of health care or paying for food, rent, and college tuition. That’s not the American dream.

Information technology alone can’t solve these problems, but it can help substantially. Electronic medical records. Software to warn if a treatment could harm a patient. Computer prescribing. These and many other applications of information technology can save lives and dramatically reduce costs.

Despite the wonders of modern medicine, too many patients today are harmed by preventable mishaps. They waste hours and face new risk when tests must be duplicated, because a crucial record is locked in another archive. Too many doctors only guess at the right course of treatment, because they don’t know a patient’s medical history. Millions of patients are needlessly put at risk, and billions of dollars are wasted.

When so many Americans are already struggling to afford health care for their families, it’s profoundly wrong to squander more than half a trillion dollars each year on administrative expenses.

The Department of Health and Human Services estimates that better use of information technology will save \$140 billion every year. Such savings would produce a technology dividend worth over \$700 on the cost of an average family’s insurance policy. That’s like getting one month free every year.

Other nations are already using this extraordinary technology to cut costs and save lives – but America lags behind. We can’t continue to allow the high cost of health care to price American goods and services out of the global marketplace.

The need to invest in this technology is urgent. In the words of Secretary Leavitt, “Every day that we delay, lives are lost.” The time to act is now. The bill before us will improve care, save lives and make health care more affordable for every American.

The need to reduce medical errors is especially urgent. It’s already six years since the Institute of Medicine reported that medical errors cause 98,000 deaths every year. According to the National Patient Safety Foundation, forty-two percent of Americans have been affected by a medical error, either personally or through a friend or relative. One out of every three of those affected said that the error had a permanent negative effect on the patient’s health. The exact figures may be the subject of debate, but it’s undeniable that preventable deaths occur in our health care system all too often. For even one patient to die needlessly in our health care system ought to be unacceptable.

Our response should be broad-based. New technology, new ideas, and new ways of practicing medicine all have a role in improving the quality of care and saving lives. We no longer expect airline pilots to navigate by looking at the stars or local landmarks. Engineers no longer rely on slide rules to design strong buildings. In virtually every field except medicine,

professionals use computers to expand their skills. Yet in medicine, we expect doctors to keep in their heads the possible interactions of the dozens of medications that a patient may be receiving. Under these circumstances, the wonder is not that errors occur, but that they don't occur even more frequently.

The evidence that information technology can save lives is undeniable. In terms of drug safety alone, a recent analysis by the RAND Corporation estimates that by using computerized data, the nation could prevent 2.2 million adverse drug events, and 1 million additional days in the hospital.

What we have today, in the words of the Institute of Medicine, is a "quality chasm." Doctors repeat tests that have already been performed. Residents take medical histories that have already been taken. Patients show up for doctor's appointments that are essentially a waste of time because the tests have been performed but the results have not yet been delivered.

Information technology can help close this gap by improving the coordination of care, providing guidance on the best methods of care and reminding busy physicians when it's time to schedule preventive screenings. The Veterans Administration is a national leader in using IT to improve quality, and patients get better preventive services there than almost any other patient group in America gets, especially in areas such as proper cholesterol screening, eye exams for diabetic patients, and proper immunization against pneumonia.

Electronic medical records improve the quality of care, and can also improve our ability to monitor drug safety, detect outbreaks of disease before they become epidemics and decide which treatments are most effective for patients.

Electronic medical records can be critical in a natural disaster. The devastation of Hurricane Katrina was compounded because most hospitals kept their records on paper. As a result, medical histories of tens of thousands of hurricane survivors were irretrievably lost. It would be inexcusable if we didn't make the investments needed for the nation to benefit from these innovations.

Information technology doesn't simply improve the quality of care – it reduces costs as well. According to the Institute of Medicine, each prescription error that's prevented saves \$4,000 in additional care. This isn't just a theory. Since 1996, when the Veterans Administration began investing significantly in information technology, its costs per patient have actually decreased by 7%, while private sector costs per patient have increased by 62%.

Excessive administrative costs are weighing down our health care system. We're spending over \$500 billion a year on such costs – nearly 33 cents out of every health care dollar. These already high costs are also growing 50% faster than other health costs. It can cost as much as \$20 to process a single insurance claim using antiquated paper records – and nearly half the 18 billion insurance claims in America are still settled in this old-fashioned way every year. We know that paper-based records are prone to error. About one in four health insurance claims is initially rejected because of errors. By contrast, in the financial industry, only 1 in 10,000 ATM transactions has an error.

Despite clear evidence that health IT saves lives and cuts costs, its use is still scandalously low. Our health care system should be the envy of the world, but nations from Australia to Scandinavia are outpacing us in this technology. In Sweden and Holland, nine out of ten primary care physicians use electronic medical records. In Britain, Austria, Finland and many other nations, it's over half. But in the United States, less than a quarter of all doctors use electronic medical records.

Obviously, there are significant barriers to the adoption of health information technology that Congress should also address. Many providers don't have the financial ability to absorb the costs of buying the equipment, making the transition to computer systems, and training staff. It costs a physician's office \$30,000 and significant aggravation to install the system. The savings from its use tend to come over the longer term, while the costs are immediate, which is a major financial barrier to hospitals, physicians, and nursing homes already drowning in red ink. Providers get savings over the long run, but the largest share of the savings goes to payers, not providers. If a diabetic is kept out of the hospital by better management of his condition as the result of information technology, that's a loss of revenue to the hospital.

This bipartisan legislation will help overcome these barriers. It requires the development of standards on interoperability and other technical measures for health information technology, and it establishes a public-private consultation to develop those standards.

But standards without federal resources are not enough to achieve the goal of a modern health care system that we all share. That's why the legislation includes financial assistance to hard pressed providers to meet the technical standards. It provides this assistance in three ways in recognizing the fact that different health care providers and different communities will have different needs. It authorizes direct grants to needy providers. It authorizes financial assistance to establish regional networks. And it creates an innovative federal-state, public-private partnership to modernize health care by enabling states to fund low interest loans to help health professionals in financial need to acquire the technology to improve the quality and efficiency of health care.

Getting the right hardware and software into the hands of doctors is only half the battle. It is also essential to see that doctors have access to the knowledge necessary to make the technology a success. The legislation establishes a Best Practices Center where technology users can learn from the experience of others who have established such networks. It sets up a Help line at the Department of Health and Human Services to answer technical questions and help meet technical requirements. To assist doctors in sorting through the confusing array of options for this technology, the legislation establishes a certification program, so that providers can quickly determine whether particular systems meet the applicable technical standards.

There are many Senate colleagues who deserve great credit for their thoughtful contributions to this legislation and for their leadership in getting to this moment.

Again, I commend the Chairman of our Health Committee, Senator Enzi, for his impressive leadership on this issue. It's been a privilege to work closely with him and his staff since the beginning of this year and to deal with this priority.

The pending legislation combines the bill that Chairman Enzi and I introduced and the bill that Senator Frist and Senator Clinton introduced. We've also had broad input from many other committee members, and we've produced a better bill because of it.

Senator Dodd was a leader on the issue in the last Congress as well, and our bill includes many of his ideas, especially on making sure that standards are widely available.

Senator Ensign made sure that best practices are front and center in implementing this technology.

Our subcommittee chairman, Senator Burr, has a strong interest in using information technology to improve our ability to respond to bioterrorist attacks or other disease emergencies, when lost hours can mean countless lost lives.

Senator Reed of Rhode Island had the innovative idea of including a 1-800 number to help providers on technical questions. Senator Harkin contributed important proposals to use the technology to improve the treatment of chronic diseases.

Senator Reid of Nevada has shown impressive leadership in making sure technology improves the lives of American families, and I thank him for his strong support.

Senator Snowe and Senator Stabenow have a major commitment to effective funding for this technology, and I look forward to working with them on this issue in the days to come. I also commend Senator Snowe for her strong commitment to protecting the privacy of electronic medical data.

I also commend Steve Northrup and Katy Barr of Senator Enzi's staff, Andrea Palm of Senator Clinton's staff, Liz Hall of Senator Frist's staff, and my own health staff, for their effective work on this issue for so many months.

I thank these and all our Senate colleagues who contributed to the legislation we consider today. I look forward to working with all of you and with our colleagues in the House to see this needed measure signed into law as soon as possible.

Facts About Health Care and Health Information Technology

Health Care Quality Has Significant Problems

* Between 44,000 and 98,000 Americans die each year from inpatient medical errors a The Institute of Medicine.

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* Overall, adult Americans receive recommended care only 55% of the time.

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* Nearly 30% of health care spending, or up to \$300 billion each year, is for treatments that may not improve health status, may be redundant, or may be inappropriate for the patient's condition.

Health Care is Expensive

* National health care spending now exceeds \$1.7 trillion per year.

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* Health care spending and health insurance premiums continue to rise at rates much higher than the rate of general inflation.

Health Information Technology Improves Quality and Saves Money

* Computerized entry of physician orders such as prescriptions can reduce adverse drug reactions by 75%.

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* Automated computerized reminders can increase physicians use of recommended medical interventions by up to 46%.

* Savings in the range of \$140 billion per year, close to 10 percent of total U.S. health spending, could be achieved through widespread adoption of health IT.

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* System-wide savings would result in a reduction of \$700 in family medical insurance premiums per year.

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Health Information Technology is Underutilized

* Only 10% of hospitals have operational computerized prescribing systems, with another 20% currently installing them. This means 70% do not use these systems.

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* The United States ranks just 12th in adoption of health information technology when compared to 15 European Countries.

The Wired for Health Care Quality Act (S. 1418)

Background

The need to invest in modernizing health care cannot be ignored any longer. Patient care declines in quality when physicians do not have access to timely information about the patients they serve. Health care costs skyrocket when tests or procedures are duplicated because critical records are missing or inaccessible. Wasting scarce health care dollars on needless administrative costs drives up insurance premiums, and means that care is less affordable and less available.

IT systems linked securely and with strong privacy protections to a patient's medical records can improve care by warning a doctor or nurse if an order or prescription may harm a patient. These systems can issue reminders for screening tests, so that needed preventive care is not overlooked. Computerized records also allow doctors to look at a patient's entire medical record at once, improving care coordination in our fragmented health care system.

The savings from better IT use are enormous. The Federal government's estimate is that the nation would save \$140 billion each year from proper IT use. These savings from health IT could cut the cost of a family's insurance policy by over \$700. Despite the benefits of investment in health IT, utilization is low. The Wired for Health Care Quality Act will give health care providers the assistance they need to invest in lifesaving health IT.

The legislation helps develop standards for IT and improves Federal use of health IT by:

\$ Requiring the developments of standards on interoperability and other technical measures for health IT system, and establishing a public private consultation to develop those standards.

\$ Authorizing in statute the National Coordinator for Health IT.

\$ Requiring all Federal IT purchases to conform to these standards.

The legislation assures strong privacy protections for patient data kept in electronic form by:

\$ Forbidding funding under the bill to any IT system that lacks strong privacy and security protections.

\$ Requiring recipients of funding to notify patients if their medical information is wrongfully disclosed.

\$ Requiring that the national strategy on health IT includes strong privacy protections, including methods to notify patients if their medical information is wrongfully disclosed.

The legislation provides financial assistance to cash-strapped providers to enhance their use of IT systems that meet these technical standards by:

\$ Giving grants to financially needy providers to enhance their use of health IT.

\$ Providing financial assistance to establish regional health IT networks.

\$ Creating an innovative Federal-State public-private partnership to modernize the health care system by allowing States to fund low interest loans to help health care professionals in financial need acquire the health care IT systems that will improve the quality and efficiency of health care.

The legislation will help providers improve use of IT to improve quality by:

\$ Establishing a Best Practices Center where IT users can learn from the previous experience of others who have established regional health IT networks.

\$ Setting up a Help line at HHS to assist providers with technical questions on implementing IT systems and complying with technical requirements.

\$ Funding novel training programs to help train health professionals at the start of their careers in better use of IT.

\$ Establishing a certification program so that providers can quickly determine whether particular IT systems meet the applicable technical standards.

\$ Developing risk-adjusted measures of health care quality through extensive consultation with health professionals, and providing for reporting of the degree to which health care providers receiving funds achieve those measures.

\$ Studying licensure requirements of physicians to see if these impose barriers to better use of health IT and telemedicine.