# Congress of the United States
Washington, DC 20515

May 18, 2006

The Honorable J. Dennis Hastert
Speaker of the House
H-232, The Capitol
Washington, DC 20515

Dear Mr. Speaker:

We are pleased that it appears the House of Representatives will finally take up health information technology legislation. It has been almost six months since the Senate unanimously passed a bipartisan health information technology bill (S. 1418), and it has been well over two years since President Bush called for computerizing health records in his 2004 State of the Union address. Given the costs of further delay, it is imperative not only that the House act, but that it pass a bill that will substantially accelerate the move to an interoperable, electronic health information system.

We believe that the rapid adoption of health information technology by providers and the development of secure, confidential health information networks is literally a matter of life and death. In just the past six months, as many as 50,000 Americans have died as a result of medical errors, and approximately another 50,000 have died from preventable infections. Information technology can be used to improve patient safety. For example, a study by the RAND Corporation estimated that if all hospitals had a HIT system including Computerized Physician Order Entry, around 200,000 adverse drug events could be eliminated each year. Information technology is also critical to reducing health care costs; the RAND Corporation has estimated that improved safety, reduced errors, shorter hospital stays promoted by better coordinated care, administrative savings, elimination of unnecessary duplication, and better prevention resulting from widespread use of interoperable information technology could yield $81 billion annually.

While health information technology can dramatically improve the safety, quality, and efficiency of health care, there are strong systemic reasons that health care has lagged behind in technology investments. These include misaligned costs and returns on information technology investments, free rider and collective action challenges, and a lack of clear data standards.

The standard against which federal legislation should be judged is whether it alters these systemic dynamics to spur both the adoption of technology by providers and the development of health information networks that allow information to be securely, seamlessly shared among authorized users. Any bill that passes the House should adhere to the following principles in order to achieve the goal of a fully interoperable health system:

1. Ensure patient privacy, confidentiality and data security. Health information is some of the most personal information that can exist. Without strong privacy, confidentiality, and security protections, patients will reject the movement to fully interoperable electronic health records and systems. Therefore, protections should include patient consent and control over the use and disclosure of their health information. Protections

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should flow with the information, and a person should be able to enforce these rights. Entities should be required to provide reasonable safeguards that avoid unauthorized access to personal information through steps such as data encryption and notification if there has been a violation of personally identifiable data.

2. Align incentives to spur adoption of health information technology. Only approximately ten percent of physicians currently use electronic medical records, in large part because they do not directly benefit from the savings generated. The federal government is uniquely situated to align the investments with the benefits, and as the largest payer of health care in the country, the federal government stands to gain the most from widespread adoption of health information technology. Incentives to incorporate health information technology, such as electronic medical records, into the clinical practice for Medicare and Medicaid beneficiaries are valuable tools to achieve this end.

3. Provide funding mechanisms for acquisition and maintenance of health information technology. With tens of thousands of deaths per month due to preventable errors and infections and year after year of double digit premium increases, we cannot afford to simply hope and wait that somehow interoperable health information systems will suddenly appear. Given broad agreement that widespread adoption of IT is a top priority in national efforts to reduce health care costs and increase efficiency, it is time for the federal government to lead by example and develop a financing mechanism for providers and regional health information collaboratives, both of which are critical to the proliferation of interoperable health information systems. Efforts that instead rely on weakening the anti-kickback and self-referral statutes as an indirect proxy for funding will increase Medicare's vulnerability to waste, fraud and abuse.

4. Include a date certain for standards adoption. The lack of standardized medical vocabulary or standards for transmitting complete electronic health information in and among providers, insurers, the government and others in the healthcare field is a major hindrance to the widespread adoption of health information technology. The Secretary of Health and Human Services should be required to adopt standards that allow for interoperability by a date certain. These should be consensus standards agreed upon by technology companies, providers, consumers, health plans, and other stakeholders in an open process.

These principles are not controversial and not partisan. They are, however, critical to the transition to a functioning system for the electronic exchange of information. Only a bill that adheres to these principles will move us toward substantial adoption of health information technology and the development of health information networks that deliver the quality benefits

and savings that such technology promises while still protecting patients. We hope that the House will use this opportunity to pass legislation that meets these principles and take a giant step forward on health information technology.

Sincerely,

Nancy Pelosi
Democratic Leader

Steny H. Hoyer
Democratic Whip

James E. Clyburn
Democratic Caucus Chairman

John B. Larson
Democratic Caucus Vice Chairman

John D. Dingell
Energy and Commerce Committee
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Charles B. Rangel
Ways and Means Committee
Ranking Member

Sherrod Brown
Energy and Commerce Health Subcommittee
Ranking Member

Fortney Pete Stark
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Danny K. Davis
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David R. Obey
Member of Congress

Cc: The Honorable Joe Barton
Chairman, House Committee on Energy and Commerce

The Honorable William M. Thomas
Chairman, House Committee on Ways and Means

The Honorable John A. Boehner
House Majority Leader