

Ways and Means Members Indicate Changes Await Health Technology Bill

By Alex Wayne, CQ Staff

July 24, 2008 -- A bill to encourage health providers to adopt electronic medical records could see substantial changes in the Ways and Means Committee before it goes to the House floor, panel members indicated Thursday.

The bill (HR 6357) was approved Wednesday by the Energy and Commerce Committee. It would authorize \$560 million in grants and loans over five years to encourage hospitals and doctors to buy and install electronic systems for collecting and transmitting health records.

The bill also would require health providers using this health information technology, or "health IT," to take precautions to protect the privacy of the records.

The Ways and Means Committee shares jurisdiction over the bill, and several committee members suggested at a subcommittee hearing Thursday that they have concerns about the bill as now drafted.

Pete Stark, D-Calif., chairman of the Ways and Means Health Subcommittee, which held Thursday's hearing, said that any health IT bill must contain both generous incentives for health providers to adopt electronic record systems and penalties for those who don't.

The Energy and Commerce bill would not penalize providers who refuse to invest in health IT.

Carrots and Sticks May Be Necessary

Stark also questioned whether the \$560 million the bill authorizes would be enough to provide a meaningful incentive for the thousands of providers still using paper records.

"I'm not sure that's sufficient," he said.

Peter R. Orszag, director of the Congressional Budget Office, told Stark's panel that estimates for the cost of implementing a nationwide health IT system that is interoperable—meaning all health providers could exchange electronic records—range from \$50 billion to \$70 billion, plus ongoing costs for maintenance.

"It seems unlikely, unless you're to have very, very large budget impacts, to get universal or near-universal implementation with only a 'carrot' approach," Orszag said.

Not Everyone Would Save

Health care experts largely agree that health IT could save the country billions of dollars every year by making the delivery of care more efficient and reducing medical errors.

But Orszag said that providers, who would have to purchase the necessary technology and implement the system, would likely not enjoy much of the savings. Instead, groups that pay for health care, like insurers and the government, would reap most of the benefit.

Rahm Emanuel, D-Ill., suggested that the government could pay for health IT implementation by selling some of its assets, such as property or radio spectrum.

Orszag called that a "very good" idea but said he could not think offhand of specific assets the government might sell. The government does a poor job of managing its assets in general, he said, and has many opportunities to sell some of them to raise money for other projects.

Dave Camp of Michigan, the senior Republican on the subcommittee, said he plans to introduce his own health IT bill that will include tax incentives for health providers to adopt the technology.

Stark said he would work with Camp on a Ways and Means bill, but he noted that tax incentives won't help the many health providers that are nonprofits, including many large hospitals.

Matters of Privacy

Lloyd Doggett, D-Texas, said he was concerned that the Energy and Commerce bill does not do enough to protect patient privacy.

For example, he said, the bill does not define "privacy" and does not give patients complete authority to consent to all uses of their records—provisions sought by some privacy advocates.

But Deven McGraw, health privacy project director of the Center for Democracy and Technology, told Doggett that her group supports the Energy and Commerce bill.

While she said they would not mind stronger privacy protections, she added that the group's support was "not qualified," and said that allowing patients to consent to all uses of their records could actually result in weaker protections.

"It puts all the burden on individuals to protect themselves," she said. "We'd much rather have a focus on creating rules on how providers can use data and penalties for misuse."

Health IT bills have been weighed down for years over privacy concerns; the issue has been a major obstacle for a Senate bill (S 1693) this year.