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### Acting Chairman Tim Murphy Subcommittee on Civil Service and Agency Organization

**““You Can’t Always Get What You Want...What if the Federal Government Could Drive Improvements in Health Care?””**

### Opening Statement September 13, 2004

Thank you all for joining us today as we look at how the Federal Employee Health Benefits Program can enhance its service to Federal employees and serve as a model for improving the performance of the U.S. health care system as a whole. The FEHB Program, which has been often cited as a model for employer-sponsored health insurance programs, has room for improvement. In improving its service to employees, the FEHB Program, as one of the largest buyers of health care with about eight and a half million participants, is in a position where it can positively influence the quality and efficiency of the health care sector throughout the United States. The U.S. health care system faces major challenges and the FEHB Program must lead by example.

As healthcare costs continue to climb double digits each year, it is clear that we cannot continue to do the same thing and expect different results. Open-ended fee for service did not work. Managed care became managed money and that did not work. We need to make fundamental changes in the healthcare delivery system paradigm. These changes would lower costs, improve efficiency and not just give people what they want but give them the healthcare they need. Because the federal government is the largest purchaser of healthcare, we have the opportunity and the responsibility to take the lead in driving these changes.

A recent news report began: “Scott Wallace’s dog, Samantha, has computerized health records. His car does, too. But he does not.” While an individual may get computerized treatment information on his 14 year-old Buick LeSabre, personal computerized health records that accurately and securely keep a patient’s medical history are simply not available. The same report told a story of a man whose heart stopped due to an “adverse drug event” after one specialist prescribed medication that conflicted with what another specialist had already given him. It took a third doctor to figure out what the first two had done. Unfortunately, this kind of preventable accident is not an anomaly under the current system. It is time for the health care industry to catch up with grocery stores, banks and auto repair shops and provide individuals with their own computerized health records.

Earlier this year President Bush unveiled his welcomed ten-year goal of getting most Americans a personal computerized health record. The President's new National Coordinator for Health Information Technology noted that with the adoption of such information technology "no longer will up to 100,000 people die from medical errors" and "no longer will we spend up to \$300 billion a year on inappropriate treatment or up to \$150 billion on administrative waste." The benefits of computerizing health records are substantial. Such technology will improve the quality of care, reduce the redundancy of testing and paperwork, virtually eliminate prescription errors, prevent adverse effects from conflicting courses of treatment, significantly reduce medical errors and reduce administrative costs. In announcing his ten-year goal, the President admonished, "The Federal Government has got to take the lead." The FEHB Program is no exception and should leverage its buying power to support President's Bush's goal. As the Institute of Medicine's President, Dr. Harvey Fineberg, stressed in testimony before the Subcommittee in March, "the FEHB Program could promote data standards and appropriate deployment of information technology providers."

There are many other areas where the FEHB Program can lead by example. One area is to expand and enhance high value services. These types of services, such as comprehensive care management, coordination of care, preventive services, and end-of-life care provide a high benefit at a relatively low cost. First Health, which administers the second largest plan in the FEHB Program, has offered one such high value service - comprehensive care management - in the Program since 2002 and in the private sector since 2000. First Health testified before the Subcommittee in March that there has been decreased annual claim costs for patients enrolled in care management and a 2003 First Health survey revealed significant levels of satisfaction with the care management program along with increases in the patients' understanding of conditions, self-management, and productivity. By adopting aggressive high value services, the FEHB Program can serve as an example to the private sector, while reaping the rewards for its participants.

I am pleased to hear about OPM's launching of its new *HealthierFeds* campaign and website earlier this year, which is designed to educate and support Federal employees in making health-care decisions. Health literacy is important in preventing illness, equipping the patient with valuable knowledge when questioning a doctor, nurse or pharmacist or when trying to obtain health information from other public and private sources. The FEHB Program should continue to explore ways to increase health literacy and set the standard for the health care sector.

I look forward to the discussion from all of the witness this morning about the various ways that the Office of Personnel Management, through the FEHB Program, can assume a strong leadership position in driving improvements to the U.S. health care system as a whole.

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