TESTIMONY OF JOSEPH WITKOWSKI

VICE PRESIDENT

GOVERNMENT EMPOYEES HOSPITAL ASSOCIATION, INC.

FOR THE JUNE 13, 2006 HEARING on H. R. 4859

Mr. Chairman, and members of the Committee, I am Joe Witkowski, Vice President of Government Employees Hospital Association.

GEHA is a non-profit association of federal employees, headquartered in Lee's Summit, Missouri. We are the third largest national health plan within FEHB and have participated in the program since its inception in 1960. We serve more than 425,000 federal employees, retirees and their dependents nationwide.

I have been employed by GEHA for 9 years and worked in the insurance and benefits industry for 32 years. I have earned the designations of Fellow, Life Management Institute (FLMI) and Chartered Life Underwriter (CLU).
Thank you for allowing me to present GEHA's position on health information technology and electronic health records.

We at GEHA agree with the conclusion that H. R. 4859 has the potential to improve health care quality and reduce medical errors. We also believe that it can be used to increase the efficiency of the delivery of medical care, which will result in decreased health care costs.

Easy access to health records is an important goal. Today, I can be in any city in the country, and should my car completely breakdown, I can purchase a new automobile that same day. This can happen because the dealership can electronically access my personal financial health history in a matter of minutes. We believe that individuals and health care providers should also have the same ease of access to a health record. In fact, we have implemented several initiatives, with significant investment in time and technology, to meet those very goals. We are participating in several pilot projects and have begun implementation of other relevant initiatives. Please allow me to highlight some of our efforts.

GEHA is participating in an employer-based initiative to create a Community Health Record. This organization is called HealthE Mid-America and is a joint effort between major employers in the Kansas City metropolitan area and Cerner Corporation. Cerner is a world leader in

developing software for hospitals and physician practices. The goal is to build a patient health record that includes claims data, prescription medication information and clinical data such as diagnosis, procedures, and lab results. The patient health record will also include detail provided by and maintained by patients, including information on allergies and any other personal medical history. We believe that our participation in this joint venture will help us develop and grow our health information technology capabilities.

GEHA is also participating in a number of HIT initiatives in conjunction with our pharmacy benefit manager or PBM. These programs have a special impact on senior citizens. While only compromising 13% of the U S population, older Americans use 35% of all medications dispensed. 25% of these seniors fill prescriptions for at least 10 different medications annually. Often, these multiple therapies are prescribed by multiple physicians. Adverse drug events can result from of this high medication utilization. Studies show that nearly one in five hospitalizations of older adults each year is due to problems with dosages or interactions of prescription drugs. The estimated economic impact of these preventable hospital stays is $177 billion annually.

Our programs are working to counteract this problem. We at GEHA send medical claim data to our PBM on a bi-weekly basis. Our claims data is integrated into the PBM's proprietary software and data base engine which then analyzes patient medical, pharmacy and lab data. Comprised of thousands of clinical rules, the engine uses a predictive model to identify members with an increased near term risk for hospitalization. We then send alerts to physicians to inform them of our findings.

Using this same integrated data from pharmacy, medical and laboratory sources our PBM stratifies GEHA members into four patient populations – well, acute, chronic and complex. GEHA patients will then be assigned to a Therapeutic Resource Center. Therapeutic Resource Centers are a patient-centric model focused on managing patients with chronic and complex conditions who generate the majority of plan costs. At the foundation of this program are trained and accredited pharmacists who specialize in treating only patients with a specific disease conditions. The pharmacists use real-time integrated data to effectively manage, prioritize and optimize specific drug therapies on an ongoing basis. This technology links patients to

pharmacists and Customer Service Representatives who act as patient advocates.

In addition, GEHA is participating in a pilot program with our PBM to accelerate the development and adoption of real time electronic prescription writing tools for physicians. The goal is to develop a secure, HIPAA compliant tool that allows patient prescription and medical data to be checked for potential errors as a medication is being prescribed.

Other GEHA HIT initiatives are linked to our health plan website for GEHA members. In 2001, we developed online WEB accounts for members and providers. These web accounts provide online password protected lookup of GEHA medical and dental claims and eligibility. We are currently exploring the development of provider online submission of claims.

We are continuing to develop tools for member education. In 2002 GEHA launched ***Health e-Report®*** an online email newsletter for federal employees and retirees. In each issue are news, updates and expert advice on health and wellness-related topics. Subscribers receive a monthly issue by

email. We have also added website content on preventive care, including recommendations for immunizations and screenings.

A new project in development is drug pricing transparency, which we expect to have in place by the end of the year. Members will be able to review and analyze the drug utilization and spend for themselves and their family through the GEHA mail order pharmacy. Using an online tool, members can review their annual drug spend and see what generic and brand alternatives are available. The members annual savings for the new therapy will also be shown. If members opt for a less expensive drug therapy, they can use the same tool to initiate that change online.

Mr. Chairman, I hope that I have made it clear that GEHA embraces health information technology as a tool that will help us to improve health care quality and reduce medical errors. GEHA has taken several steps towards meeting the spirit of this legislation and will continues to do so.

We respectfully would like to provide some commentary. First is the issue of liability protection. Providers may be making treatment decisions based on information which is contained within the health record. Data within the

record may be incomplete or incorrect. We are concerned with being included in litigation where medical errors are made because of the incomplete or incorrect patient health data and need protection from this real possibility.

Chairman Porter, you have publicly stated that you do not want to get ahead of the standards and your legislation reflects that desire. However, there is a possibility that standards may not be developed in four years and we would be required to move forward during that time. That would cause GEHA and the other carriers within the FEHB program many problems.

GEHA has committed time, money and human capital towards meeting several of the goals contained within the legislation. We are prepared to move forward with plans to offer our federal members greater information about their claims history and provide them with tools to build personal health records. We eagerly await the creation and implementation of standards that will move us in that direction. With these in place and further direction from OPM we will continue to work towards improving the quality of care our members receive and make delivery of healthcare more efficient.

Mr. Chairman, we look forward to providing additional commentary on this legislation as it moves forward. Thank you for bringing this important discussion to the table and for allowing GEHA to offer our comments.