SUBCOMMITTEE ON THE FEDERAL WORKFORCE AND AGENCY ORGANIZATION

Mr. Chairman, Ranking Member Davis and distinguished members of the Subcommittee, thank you for inviting Health Care Service Corporation to submit a formal statement for the record on the important topic of using electronic health records to improve healthcare in this country. I am Paul Handel, VP and Chief Medical Officer, Blue Cross Blue Shield of Texas, a Division of Health Care Service Corporation (HCSC). My testimony today reflects the position of HCSC. I am not speaking on behalf of the Blue Cross and Blue Shield System.

HSCS is a non-investor-owned mutual legal reserve company that operates through its divisions in Illinois, Texas, New Mexico and Oklahoma that offer a variety of health care benefit products and related services to employer groups and individuals. The mission of Health Care Service Corporation is to promote accessible, cost effective and quality healthcare for our customers. We currently issue policies and administer contracts covering approximately 10 million lives.

The importance of electronic health records

At HCSC, we firmly believe that electronic health records can benefit healthcare in the United States by increasing accessibility to quality care and making healthcare more affordable. The electronic health record holds the greatest value for the sickest individuals of our country – the 10% of the population that accounts for 80% of the cost. Typically, these people have multiple conditions that require several specialists, multiple medications and numerous ancillary care providers. As a result, these individuals require careful care coordination from case and disease managers. They are also likely to be the least able to communicate the complexity of their health status and histories to their next treating physician. This complexity confounds the medical community's attempts to reduce information errors and minimize the cost of duplicate and otherwise unnecessary care. The electronic health record collates data from all sources, not just payers and doctors, and converts this into information related directly to health Additionally, this connectivity facilitates the provision of preventive services and education, both of which are imperative for the long term answer to our health care costs.

Leveraging the value of payer data

Today, payers such as HCSC have a large base of electronic data – continually gathered through care management programs and claims payments over time – from which to construct a broad picture of an individual's history across the continuum of care. This information includes data from doctors, hospitals, laboratories, pharmacies and more.

HCSC recognizes the value that this data can have on the development of an electronic health record system in general and for our own members in particular. As a result, we have already begun to focus on providing claims based personal health records to our members because we believe it is an extremely effective way to positively impact health outcomes. I want to emphasize that we're just now beginning to learn what information is useful and how to educate consumers and providers of the value EHRs can provide. The flexibility to continue to innovate is essential.

Creating 830,000 electronic health records for hurricane evacuees in four days

A case in point: After witnessing the devastation caused by Hurricane Katrina, HCSC teamed up with, MEDecision, Inc. to proactively create electronic health records for all the members of Blue Cross Blue Shield of Texas who might be affected by the approaching Hurricane Rita.

MEDecision developed a payer-based health record known as the Patient Clinical Summary (PCS) in 2004. The PCS chronicles a patient's comprehensive health plan record, including every medical treatment, lab test, medication and related service that has been paid for by the individual's health plan. This summary can include a patient's demographic profile, health status measure, medical conditions, inpatient and emergency room admissions, monitored services, specialist visits and treatment options.

While we had not yet implemented the PCS program in Blue Cross Blue Shield of Texas, we immediately decided to create electronic health records for our members who lived in the Texas coastal communities that were likely to be hit by Hurricane Rita. Our technical staff spent two days pulling claims and pharmacy data on individuals who lived in the potentially affected zip codes and turned that data over to MEDecision. The staff at MEDecision spent the next two days processing, refining and formatting that data to build plan related health records for the 830,000 members who were potential evacuees from the coast of Texas.

Proof of concept becomes program for BCBS of Illinois

Our success in creating electronic plan related health records for potential hurricane victims in Texas in four days and our overall plan to roll out electronic health records to all of our members has led HCSC to initiate an electronic health record program at Blue Cross Blue Shield of Illinois.

Our program in Illinois will be the first step in providing electronic plan related health records to all 10 million of our Blue Cross Blue Shield members by providing health records for 3.7 million members through 136 hospitals to be implemented as part of the current workflow. Upon an eligibility screening, an electronic health record for Blue Cross Blue Shield of Illinois members can be generated. This process will provide the right information to the right people at the right time to affect health outcomes and influence faster, more accurate decision making.

That is the core reason why we have begun to implement an electronic health record program for our members. We're not undertaking this project to save money or to reduce medical errors, but on a higher level to improve accessibility to the quality and affordability of healthcare for all.

In conclusion, I'd like to stress the importance of allowing health plans to continue to create innovative products with the flexibility to make changes that meet local customer needs and market demands. HCSC agrees with the need to utilize technology to establish uniform standards for health data, facilitating interoperability, efficiency of communication and safety. Given the standards are fair, workable, equitable and implemented in a reasonable time frame, HCSC believes that implementing a payer based health record program is the right thing to do. Because we cover 10 million lives in this country, we believe it's important to step forward and serve as an example for other payer organizations.

We at HCSC will continue to conduct pilot projects for developing various means of electronic transmission of plan related health information. In this way, we and other carriers will find the most successful features to create value and usage for personal health records.

Thank you again, Mr. Chairman and Ranking Member Davis for the opportunity to appear before this Subcommittee. I am prepared to answer any questions you may have.