Congresswoman Cathy McMorris
Application of Health Information Technology within Medicaid Program
Medicaid Commission Meeting
Statement for Public Record
July 11, 2006
Arlington, Virginia

Thank you for allowing me to submit comments during this meeting. I recognize the important work that the Medicaid Commission has been given. I am committed to ensuring access to quality and affordable health care and I believe that strengthening the Medicare and Medicaid programs are an important part of that goal.

The number of Washingtonians who rely on Medicaid for their health care has increased rapidly in the last ten years to almost one million beneficiaries today. Due to the growing cost of the program, without changes, analysts predict that Medicaid will bankrupt every state in as little as 20 years. Over the next decade, combined federal and state expenditures will reach $5.2 trillion dollars, forcing states to cut benefits or raise taxes. We must act now. This is a time when we are struggling to strengthen the program to ensure care continues for our most vulnerable and needy populations.

Expenses from the care of individuals with chronic conditions form a major part of state Medicaid budgets. Although chronic disease patients account for only 20% of the Medicaid population, they often consume nearly 80% of Medicaid's costs. Because many chronic disease patients often see numerous different healthcare providers and have to manage multiple prescriptions, coordination of care is a major concern for chronic disease patients.

This is why I have introduced, along with Congressman Adam Smith (D-WA), the Medicaid Access Project through Information Technology (MAP IT). This bill would authorize CMS to conduct 2-year pilot projects in selected states to demonstrate the beneficial impact of health information technology (health IT) on chronic disease management for the Medicaid population.

CMS will competitively select at least four proposals from those submitted by states to perform the demonstration, which will bring together Medicaid patients, healthcare providers, and health education via a web-based virtual case management tool, providing access to best practices for managing chronic disease.

The project will give chronic disease patients and caregivers access to their own medical records and allow patients to record and track their own health information through Personal Health Records (PHRs).

This demonstration will also give patients access to a single source of information on chronic disease and include several channels of communication with health educators.

Physicians and caregivers will have access to complete, current treatment and health status information for chronic disease patients, using a web-based virtual management tool.

A study published in August 2005 by the Institute for Public Policy and Economic Analysis at Eastern Washington University, found that for every dollar spent on a technology-enabled disease management program, it provided up to ten dollars in medical savings and even more in terms of non-medical cost savings. Within the Medicaid program, demonstration projects have shown that using an effective health IT chronic disease management program could result in a more than 3% reduction in overall program costs while improving the access and quality of care.

It is crucial that we work to incorporate 21st Century information technology into the health care industry, not only to increase efficiency, but to promote quality. Studies show that quality and safety can be increased with the use of health IT.

The use of information technology has the ability to enhance the coordination of care. We must work to encourage the adoption of information technology within health care and within government health programs such as Medicaid. Overall, health IT has the potential to save billions of dollars and thousands of lives. It is not just an opportunity; it is our responsibility. Thank you.