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**STATEMENT OF SENATOR EDWARD M. KENNEDY IN SUPPORT OF HEALTH
INFORMATION TECHNOLOGY**

United States Senate Health, Education, Labor and Pensions Committee Hearing

(As Entered into the Record)

In this new century of the life sciences, almost every day brings new medical breakthroughs and extraordinary scientific discoveries. Biotechnology has created undreamed-of solutions to longstanding medical challenges. Conditions which once required invasive surgery can now be treated through increasingly less costly procedures. The human genome project has begun to solve some of the most profound medical mysteries, inspiring scientists to find better ways to treat cancer, diabetes, Alzheimer's Disease, and other major illnesses.

Our health care system itself, however, is still plagued by staggering inefficiencies. With the cost of health care approaching 20 percent of our gross domestic product, serious action is required to turn back this tide of rising costs. We need to recognize that the technology revolutionizing the development of new treatments can also increase patients' access to good care at a much lower cost.

In recent years, information technology has transformed many industries ranging from telecommunications to financial services. Yet, the health care industry continues to lag behind in implementing information technology, even though the potential for major improvement has been known for years.

Today, one in every seven primary care visits is undercut by missing medical information. More than 40 percent of Americans have been victims of preventable medical errors, and as many as 100,000 Americans die each year because of such errors. In a nation that spends more on health care than any other country, and that has the best doctors, nurses, hospitals, and scientists in the world, such errors are intolerable.

Information technology can reduce these errors significantly. Yet the gap is widening each year in implementing it. It now costs a physician's office about \$40,000 to install a new IT system. Increasingly, our public hospitals and community health centers remain in the dark ages of health technology, while health institutions with financial means are implementing life-saving, cost-effective systems. Estimates by the RAND Corporation indicate that the widespread adoption of electronic health records could save up to \$160 billion a year.

So far, the vast majority of investment in IT has come from the private sector. But federal grants such as those proposed in the last Congress would enable the health care industry to convert individual examples of health IT success into a national trend.

The advantages of health IT must obviously be accompanied by careful protection of patient privacy. Many of us have been working with the provider and patient communities to develop strong privacy protections, including notice to patients when their medical information is wrongly disclosed. We also commend Secretary-Designate Tom Daschle's commitment to work on patient privacy, information security, and appropriate uses of health IT in health reform.

I look forward to working closely with my colleagues on the HELP and Finance committees and with the incoming Obama Administration to ensure that our promise of a coordinated health care system is delivered to the American people. Thank you, Senator Mikulski, for bringing this important issue to light.

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