

# BusinessWeek

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## Electronic Records Are Key to Health-Care Reform

*BusinessWeek* reader William Yasnoff says Obama must make electronic medical records a top priority in his economic stimulus plan

By [William A. Yasnoff, M.D., PhD](#)

The current worldwide financial crisis is transforming the problem of rising U.S. health-care costs into a dire threat to our entire economy, making health-care reform an increasingly urgent priority. Any potential approach to restructuring health care must include universal [electronic medical records](#) so that both patient care and policy decisions are fully informed. In his weekly address to the nation on Dec. 6, President-elect Barack Obama made a commitment to this goal as part of his [economic recovery plan](#). But what exactly needs to be done to achieve this?

Today, each person's medical records are scattered among all the places where care has been given—leaving no one with a complete copy. Amazingly, no health-care institutions are responsible for ensuring that complete records are available for each person when care is needed. As the President-elect stated, both the quality and safety of health care could be greatly improved if complete electronic medical records were immediately available to physicians. Efficiency would also increase through, for example, the elimination of unnecessary duplicate tests and imaging procedures. Of course, any system of electronic medical records requires stringent privacy protections to prevent unauthorized access or use.

Health record banks can address our health information needs by providing each person with an electronic "account" where copies of all their medical records could be deposited, stored, and retrieved. A health record bank account would operate much like today's familiar checking account. But instead of depositing money, your medical providers would deposit copies of your new records after each care episode (which they must do at your request under the Health Insurance Portability & Accountability Act, or HIPAA).

### PRIVACY FIRST

Just as you control the funds in your checking account, you would retain sole authority over access to any portion of your medical records in a health record bank. Normally, you would make the complete records available to your own doctors and to health-care personnel treating you in an emergency. You would have access to your records yourself (including the ability to add information if you wished) and would be able to see exactly who else has accessed your records and when. With your permission, your information could be aggregated with others' data into anonymized reports for public health officials, medical researchers, and policymakers.

Health record banks would be required to protect your privacy by guaranteeing that you fully control who sees any portion of your records, and to safeguard your information using the same computer security techniques applied today to protect classified military information. There would also be regular independent privacy and security audits (analogous to auditing requirements for financial banks). Health record banks would be privately financed, owned, and operated, and governed either by community nonprofits or via regulation. Multiple competitive health record banks are entirely feasible to provide choices for consumers.

A health record bank account would cost no more than \$1 per month—and the health-care savings from the availability of the information would be many times that amount! Some employers may elect to cover this cost as part of their health plan, particularly for beneficiaries with chronic diseases where improvements in quality of care and cost savings from having complete electronic medical records would be even more substantial and immediate.

## HEALTH-CARE COST SAVINGS

Of course, successful health record bank operation depends on all medical records being electronic. Today, however, fewer than 20% of physicians use electronic medical record systems in their offices, primarily because most of the financial benefits of these systems accrue to others. Financial incentives for electronic medical record systems from health record banks could promote universal adoption and solve this problem, thereby achieving the President-elect's goal.

The Obama Administration's strategy for achieving universal electronic medical records should include policies that facilitate and encourage health record bank development including: (1) statutory privacy protection of medical information; (2) requiring physicians to supply a no-cost electronic copy of newly generated medical information at the time of service (which could be directed to a health record bank account); and (3) making health record bank account fees (up to \$12 per year) a covered benefit for all federal health beneficiaries (federal employees, Medicare, Medicaid, Defense Dept., Veterans Administration, Indian Health Service, etc.).

This latter policy would only create expenditures when a health record bank account is actually opened and used—and having the account would ensure health-care savings of at least 10 times the covered cost. Taking these actions to develop a system of health record banks represents an inexpensive yet critical first step in health-care reform that could simultaneously save money, save lives, and protect individual privacy.

As I [commented](#) on the story, "[Wal-Mart Launches E-Health Program](#)," HIPAA's privacy rule actually allows disclosure of private medical information *without consent* to anyone for "treatment, payment, or health-care operations" (TPO), thereby eliminating privacy. While this HIPAA provision at first appears to be quite reasonable, the decision about whether a specific disclosure is for TPO is made solely by the entity that holds the information with no notice to the patient, no possibility for review or appeal, and no requirement for keeping records of the disclosures. The current system is anticonsumer—and certainly not in the spirit of President-elect Obama's goals to improve the U.S. health-care system.

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