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**How Information Technology Can Improve Health Care Quality:
Core Lessons**

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I. The Promise

- Working examples of advanced health information systems at the CareGroup Health System in Boston and across Santa Barbara County show that these can dramatically facilitate physician decision-making, patient access to medical information, and communication of medical information across communities.
- Preliminary studies suggest that community-level health information systems may save significant money for hospitals, but not for physician practices or other participating institutions. Overall costs of health care decline, and these savings accrue to payers (health insurers and public sources).
- Given the health benefits from broader availability of advanced health care information systems, a strong case can be made that the federal government should act to overcome market failures that inhibit the spread of health care information technology (IT) at multiple levels of our health care system.
- The implementation of a national health information infrastructure (NHII) could yield as much as \$120 billion in savings for the health care system.

II. The Problems

- A new Commonwealth Fund survey of physicians shows that adoption and receptivity to health information technology lags significantly among physicians in solo and small groups compared with larger physician groups. This is consistent with anecdotal information from the Santa Barbara experience.
- It has proven very difficult to replicate examples such as those illustrated by the Boston and Santa Barbara experiences. One obstacle is the lack of a business case for either quality or IT.
- Though an NHII may save money, those financial benefits often do not accrue to the parties that invest the funds.
- Communities lack the organization and funds to “kick-start” community-based IT initiatives like the Santa Barbara experiment.
- To make the case for federal intervention to hasten development and spread of IT, advocates must boil down their proposals to a few simple messages. Right now,

the case is fragmented and disjointed – too many groups saying different things to lawmakers.

- Lack of public appreciation for the importance of quality improvement is another barrier to advancing the public and private agenda in health information technology.

III. The Governmental Response

- The Department of Health and Human Services (DHHS) has launched an aggressive effort within existing statutory authority to facilitate the development of a national health information infrastructure.
- A recent report from a national conference convened by the DHHS recommends a broad range of initiatives to promote the NHII.
- The Agency for Healthcare Research and Quality will be distributing \$60 million in Fiscal Year 2004 to promote research and demonstrations to advance the use of health information technology for quality and safety improvement.
- The DHHS has formed a new Council for the Application of Health Information Technology, which is leading a range of activities to advance the DHHS agenda in health IT.
- There is wide recognition within the government and the private sector that a public–private partnership is key to advancing the health IT agenda.
- Senator Judd Gregg (R-N.H.), chairman of the Health, Education, Labor and Pensions Committee, is extremely interested in promoting the adoption of IT through new, bipartisan legislation. However, Senator Gregg recognizes the complexity of the issues, and wants to go slowly and deliberately in developing this legislation. Elements of the legislation are likely to include: coordination of existing federal efforts across the many agencies involved; coordination of federal and private efforts through promoting standards and dealing with regulatory and legal barriers, and perhaps, some additional funds, especially to support demonstrations at the community level. Congressional staff also considered the lack of widespread public interest as an additional barrier to more rapid congressional action.