CBIA
Connecticut **Business&Industry** *Association*

TESTIMONY OF
ERIC GEORGE
CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION, INC.
BEFORE THE
PUBLIC HEALTH COMMITTEE
LEGISLATIVE OFFICE BUILDING
JANUARY 31, 2007

- **HB 6839, An Act Concerning Health Information Technology**
- **HB 6976, An Act Chronic Care Management**
- **HB 6332, An Act Increasing Access to Health Care**
- **SB 1, An Act Increasing Access to Affordable Quality Health Care.**

My name is Eric George and I am Associate Counsel for the Connecticut Business & Industry Association (CBIA). CBIA represents approximately 10,000 businesses throughout Connecticut, the vast majority of which are small companies employing fewer than 50 people.

The issue of health care is very important to the business community as we have seen health care costs skyrocket over the years. After numerous years of double-digit and near-double-digit increases, health insurance has quickly become a product that many people and companies find they can no longer afford. In addition, the cost of health care directly affects businesses' ability to create new jobs. In fact, according to CBIA's latest survey of our membership, over three-quarters of our members indicated that rising health benefit costs are negatively affecting their ability to hire additional workers.

Addressing the issue of health care requires consideration of the three fundamental components to health care – quality, cost and access. Each of these components impacts the others and all must be considered when addressing the underlying problem. While Connecticut's businesses, and especially its small businesses, have been struggling to keep up with the cost of health care, there is growing recognition that improving the quality of health care will help reduce its cost. Since cost is the chief barrier to health care access, it stands to reason that if the cost of health care is reduced then health care access will increase. Therefore, the three pieces to the health care puzzle (quality, cost and access) must all be a part of the health care discussion.

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With that, CBIA supports **HB 6839, An Act Concerning Health Information Technology, HB 6976, An Act Chronic Care Management,** and nearly all of **HB 6332, An Act Increasing Access to Health Care.** CBIA also supports the concept of **SB 1, An Act Increasing Access to Affordable Quality Health Care,** but must reserve final judgment on the bill as its details are not yet known.

HB 6839, An Act Concerning Health Information Technology

CBIA supports the promotion of health information exchange (HIE) and electronic medical records (EMRs) as an effort to improve the quality of health care, reduce its cost and subsequently increase access to the uninsured. We believe that **HB 6839, An Act Concerning Health Information Technology**, makes significant strides in this effort and we support this legislation.

In terms of cost savings, the prospects of developing and implementing a nationwide HIE with fully realized EMRs would provide significant health care cost savings. Jan Walker, executive director of the Information Technology Leadership, Partners HealthCare System, and her colleagues found that if a nationwide adoption and implementation of level four HIE and interoperability occurred (this is the highest level of exchange and interoperability with the "transmission of structured messages containing standardized and coded data; [leading to an] idealized state in which all systems exchange information using the same formats and vocabularies") then the country as a whole would realize a net savings of $77.8 Billion. *Walker et al, The Value of Health Care Information Exchange and Interoperability, Health Affairs, Jan. 19, 2005.* While other experts have noted that this figure may be somewhat aggressive, the consensus is that the development and implementation of such an HIE and EMR system would carry with it significant value and the long term savings would far outweigh its costs.

In terms of improved quality, HIE and EMR development and implementation would allow doctors the ability to instantaneously access a patient's medical history before providing care. The implications this prospect has are significant in terms of allowing the caregiver to understand any preexisting conditions of the individual, including allergies, as well as potential drug interactions with medications currently taken by the patient. Ultimately, HIE and EMR development and implementation would allow physicians to avoid many negative, adverse events and improve outcomes.

One of the most significant issues that HIE and EMR development will have to deal with is the interoperability of the systems used by providers. Quite simply, if these systems are unable to exchange health information because they are incompatible, then they will not produce the cost and quality benefits intended by moving towards an HIE and EMR driven system of health care delivery.

HB 6839 would establish within the Department of Public Health an Office of Health Information Technology. This Office would be required to establish a "statewide, integrated electronic health information infrastructure."

We believe that it would be in the best interests of both the state and the private sector for this new Office to work in conjunction with Connecticut's existing Regional Health Information Organization, eHealthConnecticut. eHealthConnecticut has been in existence for

over a year and has brought together many diverse stakeholders to address the issues of HIT and EMR. eHealthConnecticut has developed significant expertise in these areas. We believe that the state would benefit from the experiences and expertise of eHealthConnecticut as it moves forward with developing and implementing a statewide HIT and EMR strategy and we encourage the committee to work in partnership with eHealthConnecticut.

Again, CBIA supports the intent and direction of HB 6839 and we would be very interested in working with this committee in developing the state's long term HIE and EMR strategy as a part of the legislature's health care reform efforts.

HB 6976, An Act Chronic Care Management

CBIA also supports **HB 6976, An Act Concerning Chronic Care Management**. This legislation is aimed at establishing a statewide five year strategic chronic disease management plan and contains various wellness and quality outcome data disclosure related provisions. We believe that such a focus on better managing chronic diseases, promoting wellness initiatives and disclosing quality data will go a long way in improving the quality of the state's health care system. Such an improvement in quality should result in corresponding decreases in health care costs and an increase in overall health care access.

HB 6332, An Act Increasing Access to Health Care

CBIA supports many of the concepts contained in **HB 6332, An Act Increasing Access to Health Care**. We support its efforts to increase outreach efforts for HUSKY enrollment; to enable insurance carriers to create up to five new health plans that provide different and affordable options of plans for individuals and small companies; to encourage small companies to participate in such new plans; to increase Medicaid reimbursement rates; and to establish a new state premium assistance program for individuals with income levels between 150% and 400% FPL. However, CBIA has not taken the position of supporting an individual mandate for health insurance. We do believe that the other goals of this proposed bill will be beneficial in the state's efforts to reduce health care costs and increase access.

SB 1, An Act Increasing Access to Affordable Quality Health Care

CBIA strongly supports many efforts to increase access to affordable, quality health care, but we must reserve judgment of **SB 1, An Act Increasing Access to Affordable Quality Health Care**, at this time as the bill is still in proposed bill format and the details of this proposal have not yet been explained.

Thank you for the opportunity to testify before you on these bills and we look forward to working with you as you develop your overall health care reform proposals.