



May 5, 2005

Hon. Richard T. Moore, co-chair  
Hon. Patricia A. Walrath, co-chair  
Joint Committee on Health Care  
Financing  
The State House  
Boston, MA 02133

Hon. Jack Hart, co-chair  
Hon. Daniel E. Bosley, co-chair  
Joint Committee on Economic Development &  
Emerging Technologies  
The State House  
Boston, MA 02133

**RE: Joint Oversight Hearing on Advanced Technologies in Healthcare**

Dear Chairs Moore, Hart, Walrath and Bosley:

On behalf of the Massachusetts Association of Health Plans (MAHP), I want to thank you for the opportunity to testify today at the Joint Oversight Hearing on Advanced Technologies in Healthcare. MAHP and its member health plans are strong supporters of utilizing technology to improve the quality and cost effectiveness of the health care system.

By way of background, MAHP represents eight health plans that provide health care coverage to approximately 2 million Massachusetts residents and the Association is also on the board of the Massachusetts e-Health Collaborative. Our members add significant value to the health care system, focusing on getting patients the right care, at the right time, and in the right setting.

We are proud that our health plans consistently have been rated as the best in the country in critical quality areas such as access and service, treating and managing illness, and improving health, as measured by national surveys and accrediting organizations. For example, in the National Committee for Quality Assurance's 2004 annual *State of Health Care Quality* report, five (5) of the country's top 10 performing health plans in terms of clinical quality were based in Massachusetts.

The affordability of health care remains the most urgent issue in health care today. The cost of health care has become a major barrier to economic growth in Massachusetts and the top reason many employers and their workers give for not purchasing health care coverage is the ever-rising cost of health care.

Despite the continued growth in health care costs, the system remains widely inconsistent and is not yielding the highest quality or safety. Today, only 55 percent of health care provided represents what the medical evidence says is the right thing to do, indicating there is significant waste and inefficiency in the current system that has contributed to the rising cost of care. Nationally, the failure to follow best practices and deliver appropriate care each year results in:

- 42,000 to 79,000 deaths;
- Over 66 million sick days; and

- More than \$1.8 billion in excess medical costs.

To encourage physicians to utilize technologies that can improve the quality and delivery of care, health plans have been instituting incentive programs to reward physicians who make investments in and utilize information technology (IT). Bonus payments have been awarded for the use of computerized physician order entry software, e-prescribing, electronic medical records, and other efforts to improve quality and reduce medication errors through computerized initiatives. By rewarding physicians who invest in IT systems, Massachusetts health plans are demonstrating their commitment to improving the health care system. Recently, MAHP published a booklet explaining these bonus programs and mailed it to 15,000 Massachusetts physicians. A copy of the booklet is included with our testimony.

Additional examples of measures MAHP members have undertaken to promote the use of IT and advanced technologies in health care include:

- One member health plan has been promoting the use of electronic prescription (e-prescribing) efforts by distributing e-prescribing devices and software to physicians in its network. The technology has demonstrated the ability to improve patient care and reduce prescribing errors. During the 2003-2004 legislative session, MAHP and its member health plans worked with provider groups to push for passage of Chapter 133 of the Acts of 2003 to permit the use of electronic signatures, which will allow physicians to sign for and send prescriptions electronically to pharmacies.
- Another member health plan has been working jointly with providers to design and build a software prototype that will connect clinical data and information systems among individual health care organizations, enabling clinicians to access patients' medical records in emergency and ambulatory settings.
- Additionally, MAHP member health plans are simplifying enrollment, billing, and other aspects of administering coverage for employers by utilizing information technology and web-based tools. Health plans have made similar tools available to providers to help reduce administrative processes, such as prior authorizations and eligibility verification.

Moving forward, the use of advanced technologies in health care should be leveraged to bring about transparency around the cost and quality of care and to make this information available on the Internet. Consumers currently utilize health care resources without access to data or any objective provider performance comparisons to understand the cost or quality impact of their decisions. For the system to function properly, accurate and useful information about quality, pricing, supply, and alternative care sites must be publicly available.

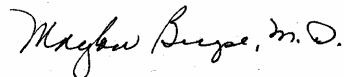
A December 2004 report by the state's Division of Insurance (DOI) examining the feasibility of creating a repository of health care cost and quality information for consumers stated that Massachusetts patients could benefit from a single source of information, provided that the information is reliable, easily understandable, and consistently reported. The DOI report noted that establishing a decision support tool for consumers would require establishing an independent entity to collect data from all hospitals, physician practices, and health plans.

Currently, the federal government and several states, including New Hampshire, are providing consumers with this type of information on the Internet so that they have the necessary data to understand differences in the cost and quality of care. Moving forward, the Commonwealth should take the lead on developing easy-to-understand cost and quality information. This would provide purchasers and consumers with the ability to measure the effectiveness of care in different clinical settings, and would give providers the necessary information to measure the productivity and efficiency of their operations to develop strategies to improve the effectiveness of the services they deliver.

We commend the Legislature for the emphasis it has placed on increasing access to health care coverage and for making transparency a part of the Senate's health care reform package. The proposal to establish a Consumer Health Information Board and a state-supported website that can compare the cost and quality of health care services in the state will give consumers the necessary tools for making informed decisions about their care. Better information for consumers will help to improve clinical outcomes and lower costs.

Again, we appreciate the opportunity to testify on how MAHP and its member health plans are promoting the use of advanced technologies to improve the quality and cost-effectiveness of the health care system. We look forward to working with you in the months ahead on these and other issues, and I encourage you or members of your staff to contact myself or the MAHP staff to discuss any issues or concerns you may have by phone at 617-338-2244 or by email at [buyse@mahp.com](mailto:buyse@mahp.com).

Sincerely,



Marylou Buyse, MD  
President and CEO