

July 8, 2003

The Honorable David M. Walker  
Comptroller General of the United States  
U.S. General Accounting Office  
441 G Street, NW  
Washington, D.C. 20548

Dear Mr. Walker:

I request that the General Accounting Office (GAO) investigate the economic impact on the US health care system of nationwide implementation of real-time provider access to critical clinical patient information at the point of care, with patient consent. The mission of such a system would be to improve healthcare quality and safety, including but not limited to:

- eliminating many of the 770,000 injuries and deaths that result from medication errors and other adverse drug events in the United States each year<sup>1</sup>,
- reducing the up to 98,000 avoidable deaths caused by medical errors each year<sup>2</sup>, and
- limiting the one and a half healthcare errors that the average patient in intensive care has to endure on a daily basis<sup>3</sup>, while strengthening the privacy and security interests of patients, physicians and hospitals.

For purposes of your analysis, please assume that implementation would have widespread provider and public support because the implementing entity is a utility-like “trusted third party” that includes patients, physicians and hospitals in its governance and operating infrastructure. The model for such an entity is the Patient Safety Institute (PSI), and the program model for national implementation is the activity being initiated by the state of Delaware in coordination with PSI, and PSI’s other implementation efforts across the country.

In particular, I ask that GAO answer the following two questions:

1. What is the economic value to the country of such a network in total and per person? This is particularly important because of the broad range of estimates that have recently been circulated:

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<sup>1</sup> Federal Agency for Healthcare Research and Quality

<sup>2</sup> To Err is Human: Building a Safer Healthcare System; Institute of Medicine; 2000

<sup>3</sup> Information Systems Can Prevent Errors and Improve Quality; Journal of the American Medical Informatics Association; Volume 8 Number 4, July/August 2001; E Andrew Balas MD PhD

- The US Department of Health and Human Services (DHHS) was recently quoted as saying that its proposed system for allowing insurance companies, hospitals and doctors to access a patient's medical file from anywhere and at anytime, would reduce health care costs by roughly \$100 billion a year. I have significant concerns about allowing unfettered access to medical records without the patient's explicit consent or ability to later revoke their consent.
  - A study done by First Consulting Group estimated (see attached) that the annual cost savings would be more than \$40 billion<sup>4</sup>.
  - The Institute of Medicine, in its 1999 report "To Err is Human, Building a Safer Health Care System" estimated that the result of preventable errors alone (without any improved efficiencies or elimination of unnecessary duplicate diagnostic testing) would save the nation over \$29 billion annually.
2. Of the total potential economic savings, where would those savings accrue? For example, what portion of the savings would be realized by patients, physicians, hospitals, various types of payers, employers, local, state and federal government and such other segments as GAO finds appropriate to evaluate?

Thank you for examining this critical national issue. If you have any questions, please call Duane Wright in my office at 202-224-2441.

Sincerely,

Thomas R. Carper  
United States Senator

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<sup>4</sup> Patient Safety Institute - Value of a Community Clinical Information Sharing Network; First Consulting Group; June 2003