

# FACT SHEET

## American Health Information Community

June 6, 2005

### Background

In 2004, President Bush called for the widespread adoption of electronic health records as part of his health information technology (health IT) plan, which will make the Nation's health care system better, more accessible, and more affordable. An electronic health record is a digital collection of a patient's medical history and includes items like diagnosed medical conditions, prescribed medications, vital signs, immunizations, lab results, and personal characteristics (age, weight, etc.).

### Benefits of Health IT

The President set this national goal because the use of electronic health records and other health IT will transform our health care system, and can result in fewer mistakes, lower costs, less hassle, and better care. Health IT can prevent many medical errors. The Institute of Medicine estimates that medical errors kill 45,000 to 98,000 Americans each year in hospitals. Moreover, health IT may reduce costs by saving time and reducing duplication and waste – lowering health care costs by as much as 10%. Consumers not only benefit by saving money and receiving better care, but also by saving time. Patients will not have to give their address, insurance information, and other basic information over and over again. More importantly, the information needed to treat patients effectively will be a computer click away, no matter where the patient is receiving care.

### The American Health Information Community

The Department of Health and Human Services (HHS) is forming the American Health Information Community (AHIC) to provide a forum for interests in and outside of the Federal government to recommend specific actions that will accelerate the widespread application of health IT. The specific focus will be the creation of standards, a certification process, and a national architecture to securely share electronic health information.

The AHIC will be organized under the auspices of the Federal Advisory Committee Act (FACA) and will include up to 17 commissioners who will represent consumers, privacy interests, states, payers, providers, vendors, and purchasers. HHS will solicit nominations for the commissioners, and Secretary Mike Leavitt will appoint the members and chair the AHIC. The use of a Federal advisory commission allows open public meetings and widespread stakeholder participation in which everyone has a voice.

HHS plans to form the AHIC in July 2005, and it will be initially chartered for two years, with the option to renew, and a duration of up to five years. HHS intends for the AHIC to be succeeded by a private-sector health information community initiative within five years.

### Specific Tasks:

Widespread adoption of electronic health records requires setting standards aimed at interoperability, an organized process of standard-setting, certifying electronic health records, and governance. The AHIC will have five specific tasks:

1. Make recommendations on how to protect privacy and security.
2. Identify and make recommendations for prioritizing health information technology achievements that will provide immediate benefits to consumers of health care (e.g., drug safety, lab results, bio-terrorism surveillance, etc.).
3. Make recommendations regarding the creation of a private-sector, consensus-based, standard-setting and harmonization process, and a separate product-certification process.
4. Make recommendations for a nationwide architecture that uses the Internet to share health information in a secure and timely manner.
5. Make recommendations on how the AHIC can be succeeded by a private-sector health information community initiative within five years. The sunset of the AHIC, after no more than five years, will be written into the charter.

### **Funding**

HHS will spend \$86.5 million on health IT in FY05, and President Bush has requested \$125 million for health IT in FY06. The AHIC has minimal costs associated with it. It will, however, leverage and enhance private spending on health IT.

### **Interoperability and the National Strategy**

The desire to achieve interoperability is felt across the health care industry by payers, providers, vendors, and consumers. The multitude of competitive interests in the marketplace has prevented a unified effort to achieve common standards and interoperability. The national strategy for achieving interoperability of digital health information calls for Federal agencies – who pay more than one third of all health care costs – to collaborate with private payers in developing and adopting an architecture, standards, certification process, and a method of governance for ongoing implementation of health IT. Once the market has structure, vendors and providers will begin to innovate and bring the needed efficiencies and services.

Through the Federal Health Architecture effort, HHS, in conjunction with other federal entities, will do its part by adopting standards and data-sharing processes for Internet-based tools that will help Federal programs like Medicaid and Medicare support the use of digital and interoperable health records that are privacy-protected and secure. The AHIC will help the Federal government make this transition in a smooth, market-led way.

### **Final Deliverables**

At the end of its charter, the AHIC will have developed and made recommendations for:

- the adoption of a non-governmental standard-setting and certification process;
- the groundwork for a national architecture that allows data to be shared securely using the Internet;
- applications that provide immediate benefits (such as an adverse-drug-event reporting system); and
- a transition for long-term governance to a private-sector health care community initiative.