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## President Discusses Health Care Information Technology Benefits

Intercontinental Cleveland Clinic Suite Hotel  
Cleveland, Ohio

### [In Focus: Health Care](#)

11:30 A.M. EST

THE PRESIDENT: Thank you, Leavitt. (Applause.) Thank you, Mike. No, thank you all. Thanks for coming. (Applause.) No, please be seated. Thank you. Thanks for the warm -- warm reception. It's great to be here at one of the nation's finest medical complexes. I want to thank you for giving us a chance to come by and talk about how to make sure health care is available and affordable for our fellow citizens.

I am honored Mike Leavitt has agreed to serve our country. He's been in the job 15 hours, and he hasn't made any mistakes yet. (Laughter.) But he is going to do a great job. He was a former governor from the great state of Utah. He understands the need for the federal government to relate effectively with state governments. The HHS is a complex organization with a lot of tasks. It requires good management skill in order to be an effective Secretary. I am confident that Mike has got the skill set and the vision necessary to do the job.



And so, Mr. Secretary, welcome to the job. I'm looking forward to working with you. I know a lot of docs are, too. And you'll do fine. Fifteen hours and no errors is a good start.

I want to thank Toby Cosgrove, the doc, the CEO and chairman of this fantastic facility, for welcoming us here. I'm honored, Doc, that you put up with the entourage and let us come and visit with the good folks here in the Cleveland area.

I appreciate the docs who showed me the fantastic technologies that are now in place in this hospital. That's part of what we're going to discuss today. As you can see, I've asked some people who know what they're talking about to come and share the great excitement of information technology and how it can help change medicine and save money and save lives, and most importantly, make our fellow citizens -- make available to our fellow citizens a health care system that is responsive to their needs.

And so thank you all for coming. I think you're going to find this pretty interesting. I know I'm going to.

I want to thank the Governor of the great state of Ohio for joining us. The last time I saw Taft, he was dancing on the stage at an inaugural ceremony. (Laughter.) He's about a lousy a dancer as I am. (Laughter.)

I want to thank two members of the Congress who traveled with me today on Air Force One, Ralph Regula, who is a fine member of the House of Representatives, as well as -- thank you for coming, Ralph. (Applause.) As well as Congressman Steve LaTourette. We appreciate you coming, Steve. (Applause.) You over there? Yes, he's still there. I was going to say, if he skipped the deal, he wasn't going to get a ride back. (Laughter.)

I want to thank all the docs who are here. I want to thank all the people who -- nurses who are here and the staff members who are here. I want to thank you for your compassion and I want to thank you for lending your enormous skills and talents to saving lives. It's -- we've got the greatest medical system in the world, and the role of the federal government is to do what is necessary to keep it that way. And I believe that the reason why we're so good is not only because we're great at research, but our people are so compassionate and decent and care

about their patients.

I want to talk -- by the way, I met a guy named TJ Powell. Where are you, TJ? There you go. TJ was at Air Force One. The reason I like to mention somebody like TJ is because he volunteers a thousand hours per year in helping people as a member of the Ohio Medical Reserve Corps. In other words, he lends his talent and time to help people have a better life. In my State of the Union, I'm going to talk about the strengths of our country, the economy and our military, and we intend to keep it strong to keep the peace. But the true strength is the fact that we've got citizens from all walks of life who are willing to volunteer a thousand hours a year to make somebody's life better. I thank you for the example you've set, TJ. I appreciate you coming. (Applause.)



So the fundamental question facing the country is, can we have a health care system that is available and affordable without the federal government running it? I mean, it really is a philosophical challenge. There's good well-meaning folks who believe that the best health care system is run where Washington, D.C. makes the decisions. I happen to believe the best health care system is one where the consumers, the patients, make the decisions.

And so here are some practical ways for us to deal with the rising costs in health care. One is to make sure that people who can't afford health care have got health care available to them in a common-sense way. And that's why I'm such a big backer of expanding community health centers to every poor county in America. We really want people who cannot afford health care -- the poor and the indigent -- to be able to get good primary care at one of these community health centers, and not in the emergency rooms of the hospitals across the United States of America.

The best way for a compassionate society to help make sure there is a health care safety net is to expand these community centers, which are working. I mean, this is something -- we say, are you going to fund programs that get results? And the answer is, you bet. And these community health centers get great results. And so I'm looking forward to calling upon Congress to expand them to every poor county in the country.

Secondly, we have made clear our commitment to our nation's seniors that we'll have a Medicare system that is modern. I can remember traveling the country explaining to people that Medicare would pay for thousands of dollars for a heart surgery -- \$100,000 for a heart surgery, say, but not one dime for the prescription drugs that would prevent the heart surgery from being needed in the first place. That didn't seem a very effective use of taxpayers' money to me. And it certainly said that the Medicare system wasn't modern.

So I called upon Congress, and Congress acted, and I signed a bill that makes the Medicare system more modern, to meet the needs of our seniors. Inherent in the reforms in that bill is giving seniors more options and more choices to choose from, which is a philosophy that I think you'll hear as we discuss what is available to help control costs. In other words, the more choices people have in health care, the more likely it is that costs will be under control.

Let me give you an interesting idea that I think small business owners need to look at, and those are called health savings accounts -- or individuals need to look at it, or families need to look at health savings accounts. A health savings account is basically a plan that says you buy a high deductible, catastrophic plan -- in other words, you cover your first \$2,000 of medical expenses, and then the insurance kicks in after that -- and that to cover the medical -- routine medical expenses up to \$2,000 your business contributes tax-free into the plan, which is -- and if you don't spend the \$2,000, in other words, if you make right choices about how you live and what you put into your body, in other words, if you prevent disease by exercising on a daily basis, and there's money not spent in the account, you can roll it over from one year to the next tax-free. And as you withdraw the money, you can do so tax-free.

Now, the cost of the insurance for the high-deductible catastrophic plan is incredibly less expensive than the normal third-party's payer system. And the savings on premiums from that plan more than covers the incidental costs necessary until you get up to the deductible. That's a complicated way of saying, this works.

And I ask small business owners to take a look at health savings accounts. Most of the working uninsured work

for small business owners, who are getting squeezed by the high cost of medicine. This is a way to be able to afford health care for your employees, and at the same time, put your employees in charge of the decision-making when it comes to health care.

One of the issues, in terms of the cost of health care, is the fact that many people have their health care decisions made by third-party payers. So, in other words, they're not really involved with the expenses and the expenditure of money. You show up and the insurance company covers your costs, but you don't know what the costs are, and you're not involved in the decision-making. Health savings accounts, which will make life more affordable for employer and employee, really puts somebody in charge of the decision-making, and that in itself is part of how you control costs. If you're out there shopping for a better deal, it helps bring cost efficiencies into a system that needs cost efficiencies.

Another way to help people afford health care, particularly small businesses, is to allow small businesses to pool risk. Right now, if you're a restaurant in Ohio and a restaurant in Texas, you have to buy your insurance only within Ohio or only within Texas. I believe restaurants ought to be able to pool across jurisdictional boundaries so they can buy insurance at the same discount that big companies get to do. In other words, the more people you have in the -- in your pool of people to insure, the less expensive insurance becomes. It makes sense, doesn't it? But the law prevents people from doing that now.

So here are some practical ways to help with the cost of medicine. Another practical way -- and I want to thank the FDA for having responded to our call -- is to get generic drugs to the market faster. Brand-name drugs are protected by patent for a period of time to allow pharmaceutical companies to recoup their research and development -- that makes sense. But what doesn't make sense is the company's ability to delay the arrival of generic drugs. They do the exact same thing brand-name drugs do, but they're far less expensive. And so, by speeding generic drugs to the market we'll make pharmaceuticals more affordable to our seniors and take the pressure off our state budgets, which we are now in the process of doing.

But we're here to talk about another way to save health -- save costs in health care, and that's information technology. Now, look, most industries in America have used information technology to make their businesses more cost-effective, more efficient and more productive, and the truth of the matter is, health care hadn't. I mean, health care has been fantastic in terms of technological change. I mean, you see these machines in these hospitals -- compared to what life was like ten years ago, things have changed dramatically.

And health care has got -- we've got fantastic new pharmaceuticals that help save lives, but we've got docs still writing records by hand. And most docs can't write very well anyway, so -- (laughter.) Can you? (Laughter.)

And so the fundamental question is, how do we encourage information technology in a field like health care that will save lives, make patients more involved in decision-making, and save money for the American people. That's what we're here to talk about.

And I've asked -- I've asked Dr. David Brailer to join us. When we started the process of encouraging information technology to spread throughout health care, and setting the goal that there ought to be -- every patient -- every American ought to have a medical -- electronic medical record within I think seven years -- seven years or ten years?

DR. BRAILER: Ten years.

THE PRESIDENT: Ten years -- yes, ten. I asked David -- or I didn't ask David -- Secretary Tommy Thompson asked David, and told me he asked David, to be in charge of the federal effort to do what is necessary to reduce the obstacles and roadblocks to get electronic medical records into the hands of every citizen.

So I've asked David to join us to kind of help explain what I'm desperately trying to explain to you -- (laughter) -- in English -- and so that people understand why information technology can advantage our society.

Why don't you start, David?

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THE PRESIDENT: Yes, if you're in Florida living in Ohio, you have to go down to Florida -- my brother is the

Governor, so I'm putting a plug there. (Laughter.) But you go to Florida, you get in an automobile accident, an electronic medical record means your data to the doc in the emergency room is transmitted just like that -- as opposed to calling somebody, getting them out of bed, could you please go find so-and-so's file, read somebody's file, and transmit the information. I mean, you can imagine -- a speedy response to an emergency saves lives.

Go ahead, sorry. I just wanted to put a plug in there.

DR. BRAILER: It's okay, sir. (Laughter.)

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THE PRESIDENT: Well, thank you, sir. David, thanks. He's outlined kind of a national vision, a national strategy -- which is being implemented from the ground up, by the way, not the top down. That's why we're here at the hospital, because they've implemented really interesting information technology here.

Let me just say one thing before we get to some docs who are on the front line of change. One of the things we have to do in this society is to have a judicial system that's fair and balanced. And I couldn't help but think of these good folks who are practicing medicine and realizing that too many of their fellow citizens are leaving the practice of medicine because of junk lawsuits. This society needs to have balanced and fair law. And it is important for members of Congress, members of the United States Senate, to know that a unbalanced legal system, a system where the law is like a lottery when it comes to suing people in medicine, is driving good people out of practice. We need medical liability reform now. (Applause.)

Anyway -- Martin Harris. Martin, what do you do? Dr. Martin Harris -- excuse me.

DR. HARRIS: I am a general internist, but I'm also the Chief Information Officer for the Cleveland Clinic Foundation.

THE PRESIDENT: That's pretty good. (Laughter.)

DR. HARRIS: It's a good combination, keeps me up.

THE PRESIDENT: That's strong. (Laughter.) A man of many talents.

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THE PRESIDENT: You're doing good, keep going. (Laughter.)

DR. HARRIS: All right. I do have one more. And I will point out to you that everything I'm talking about will be in place in Florida by July, this year. (Laughter.)

THE PRESIDENT: Let me ask you something. I know you've got one more, I don't want to -- I'm just sitting here thinking about, I'm sure people are out there saying, I don't want my medical records floating around ether, so somebody can pick them up. I presume I'm like most Americans -- I think my medical records should be private. I don't want people prying into them, I don't want people looking at them, I don't want people opening them up unless I say it's fine for you to do so. Explain how you --

DR. HARRIS: Absolutely. So that is true, and it's true whether it's in electronic form, or whether it's a piece of paper. We want to know that the record is secure and that it remains confidential. But information technology actually works perfectly to document that. If you left a medical record on paper in a room, how will you know who saw it. You can't know. When it's in electronic form, when anyone logs on to the system, we know. We know who they are, we know where they are, we know what they were looking at, and we can keep logs of all that information so that we can confirm for our patients that their information is secure.

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THE PRESIDENT: See, what he's saying there is that these networks are beginning to grow, from the -- from the Cleveland Center out, and the fundamental question is, can the Cleveland Center's network talk to somebody

else's network so that you can exchange information. It's one thing to have information on a regional basis. We need to have it on a national basis so that information flows across our country. And that's what the interoperability means.

Listen, you did a fabulous job.

DR. HARRIS: Thank you.

THE PRESIDENT: Really good job. (Applause.)

Dr. Bob Juhasz. Dr. Juhasz, thank you for being here. What kind of doctor are you -- besides a good one? (Laughter.)

DR. JUHASZ: I am a primary care/internal medicine physician.

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DR. JUHASZ: And with the chart, it allows me to look at that laboratory information and be able to put a secure message to that patient about their laboratory data, and it sends them a secure message to say that you have something to look at in your chart site. They log on in a secure way to that site and they're able to actually review their laboratory work, anything that they've had done previously, as well as my notes. They're also able, if they need to ask for a prescription refill or if they need to get a future appointment, they can do that. And for patients like Patty, that --

THE PRESIDENT: Is Patty your patient?

DR. JUHASZ: Yes, she is.

MS. MCGINLEY: I'm the patient.

THE PRESIDENT: Sometimes when we leave the doctor's office, we're wondering when you're going to get new magazine subscriptions. (Laughter.) Anyway --

DR. JUHASZ: I try to make sure those are updated. (Laughter.)

THE PRESIDENT: Patty. Bob is your doctor?

MS. MCGINLEY: Yes, he is. He has been for six year.

THE PRESIDENT: Looks like a fine man.

MS. MCGINLEY: He's a wonderful physician.

THE PRESIDENT: By the way, before we get to Patty, just think how many Bobs there are in the world who have -- who will go from writing and wondering and picking up files to an efficient system. And when that's -- what he just described, the efficiency he just described means he's saving time and, therefore, money for the patients. And when you multiply the efficiencies to be gained, all across the spectrum, whether it be individual docs or hospitals or networks, that's why some predict that you can save 20 percent of the cost of health care as a result of the advent of information technology.

Patty. Welcome. I'm glad you're here. Thank you for coming.

MS. MCGINLEY: Thank you for having me.

THE PRESIDENT: You look healthy to me, but I'm not a doctor. (Laughter.)

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THE PRESIDENT: Great job. I think one of the things that's interesting -- (applause.) What struck me about

Patty's conversation was -- is that -- how liberated she feels through information, and that -- I'm sure a lot of patients, and you probably can testify to this, are pretty nervous about dealing with doctors and the words and the diseases and all that stuff. And all of the sudden, the more educated you become, the more comfortable you become, not only about figuring out what's wrong, but more importantly, figuring out how to cure the problem.

And one of the -- listen, information is a liberating tool. And it's liberating for a lot of parts of life, including health care. So thank you for sharing that.

MS. MCGINLEY: You're welcome.

THE PRESIDENT: Jorge del Castillo. See. I'm Jorge, too. (Laughter.)

DR. DEL CASTILLO: It's a good name.

THE PRESIDENT: That means George. (Laughter.) He's Jorge D., I'm Jorge W. (Laughter.) Anyway -- so where do you work?

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THE PRESIDENT: How long has -- have these medical records been available in your -- in your situation?

DR. DEL CASTILLO: We deployed -- we started in March of 2003. This March it will be two years. Interestingly enough, most of our physicians went into the electronic medical record kicking and screaming, and now they can't live without it. It is -- the system went down the other day for about two hours, and there were just complaints and cries of help and so on because you just cannot live without it. It is just one of the best things that can happen to the medical field.

THE PRESIDENT: Yes, you see it's interesting, isn't it? I mean, they've only been in -- have had this technology for two years. I mean, we're talking the beginning of, and -- of a development in health care that is going to be life-saving and cost-saving and changing for the better. And that's what's so exciting about it. And I appreciate you sharing that with us.

DR. DEL CASTILLO: My pleasure, sir.

THE PRESIDENT: We've got one other doc here to talk to. Barth Doroshuk. Barth, where do you live?

MR. DOROSHUK: I'm from Bethesda, Maryland, Mr. President.

THE PRESIDENT: Right, yes, yes.

MR. DOROSHUK: Right next door to you.

THE PRESIDENT: Within spitting distance of the capital. (Laughter.)

MR. DOROSHUK: Exactly.

THE PRESIDENT: Give us a sense about you -- actually, I'll introduce Barth. Barth is a -- I wouldn't call you sole practitioner, but close to it.

MR. DOROSHUK: We have a very -- we have a small practice in Washington, D.C. and in Maryland. The Washington ENT Group provides ear, nose and throat medicine and head and neck surgery to the regional area of the metropolitan D.C. area.

THE PRESIDENT: And how many docs?

MR. DOROSHUK: And we have six doctors.

THE PRESIDENT: So it's a relatively small practice.

MR. DOROSHUK: Small -- small compared to the testimonies we've heard this morning already. And when we went into electronic medical records back in 2000, we were looking at starting the practice up, and we had a choice: Do we do it the way we've always done it, or do we move ahead? Is there technology that's there? Is it reliable enough? And is the investment safe? And, lo and behold, we decided to go ahead and implement a fully digital medical office. And we haven't looked back.

THE PRESIDENT: Which, by the way, has got to be a pretty serious decision for a very small doctor's office. In other words, there's a lot of doctors out there saying, I don't think I need this, and the cost benefit ratio certainly doesn't justify me, the sole practitioner, or me operating with three or four other docs.

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THE PRESIDENT: Is the cost benefit -- I mean, is it clear to you now that --

MR. DOROSHUK: It's very clear to us, very clear to us. When we opened up our second office, it was not even a factor.

THE PRESIDENT: So in other words, it kind of defies the notion that there has to be economies of scale in order to benefit from IT -- in other words, big hospitals with a lot of docs will benefit, but little docs won't be able to afford the costs. And it's very important for docs who are listening to this to understand that the cost benefit is noticeable and real, and not only that, you're expanding as opposed to going out of business.

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THE PRESIDENT: The role of the federal government is to not only set the strategy, but to spend grant money, to encourage the development of regional hubs and to really get the process started. There will be a certain momentum that will be achieved once the cost benefit becomes aware to everybody that's a practitioner. But the government's role is to help best practices get started. We've sent out two federal grants from HHS totaling \$3 million to Cleveland Clinic to help spur and spawn this fantastic technological development.

And one of the things that I'm excited about is that we're just beginning to learn about the great potential of information technology. And I think what you're witnessing is a dialogue about -- on a subject that is going to change our lives for the better, and that's why I'm excited about it.

I thank our panelists for being here, for sharing your knowledge, your firsthand knowledge about what is possible, what's taking place. Imagine what the world is going to be like 10 years from now. I mean, what we're hearing today is just the beginning of substantial change, all aimed at improving people's lives and making sure that health care is as affordable as it can possibly be for every citizen.

I hope you've enjoyed this as much as I have. I have found it to be incredibly informative, and I want to thank our panelists once again for sharing their wisdom and knowledge.

God bless. (Applause.)

END 12:30 P.M. EST

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