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Big Employers Plan Electronic Health Records

 By **GARY MCWILLIAMS**
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Several big employers are about to deliver an electronic jolt to the U.S. health-care system.

Next week, **Intel Corp.**, **Wal-Mart Stores Inc.**, **British Petroleum** and others will disclose a plan to provide digital health records to their employees and to store them in a multimillion-dollar-data warehouse linking hospitals, doctors and pharmacies. Their goal: to cut costs by having consumers coordinate their own health care among doctors and hospitals.




Craig R. Barrett

Craig R. Barrett, Intel's chairman, calls portable electronic records "the building-block to modify the U.S. health industry" into a more responsive and cost-conscious system. "I frankly don't think that the industry is capable of modifying itself," he says.

Next week, the companies will announce their collaboration on a records standard to kick-start the plan. Later, about 10 employers are expected to chip in \$1.5 million each to construct a data warehouse to store and update the e-records. Once in place, the combination would allow consumers and insurers to evaluate

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price and performance data from millions of employees. Eliminating duplicate tests and erroneous or lost information would also slash administrative overhead, which is estimated to account for 40% of medical costs. And electronic prescriptions alone could help prevent the 98,000 serious illnesses or deaths that result annually from prescription mistakes.

ONE DOCTOR'S EXPERIENCE

WSJ columnist Benjamin Brewer, a family practice doctor in Illinois, has written about his experience with online patient visits, and how they help build electronic health records. Click [here](#)¹.

Doctors could also use the records to measure which treatments worked best for chronically ill groups of patients. In addition, once their records are online, employees could order prescriptions and calculate their out-of-pocket medical costs using software that understands their health plans.

Patient medical records -- often hand-written -- are currently strewn among doctors' offices and hospitals. Computerizing them has long been supported by hospital and doctors' groups, but has foundered on technical and cost grounds. Now, only about 10% of U.S. doctors have a completely electronic record-keeping system.

Coalition members believe that giving consumers control over their own records would help get around the technical and cost issues. But the idea of portable medical records and a massive repository still faces hurdles. Privacy advocates worry that digital records will be misused by employers and insurers to deny jobs or health-care coverage. The watchdog group Patient Privacy Rights Foundation urges employees to shun the approach until there are adequate protections. "The system is leaking information," says Chairwoman Deborah C. Peel, a practicing psychiatrist. "Once out there, it's like a Paris Hilton sex video. It's [there] for the millennium."

The coalition expects to apply a combination of market pressure and incentives to get doctors and hospitals on board. The employers will insist that health-care providers adopt electronic records and prescribing as a condition of future business. Retailer Wal-Mart will apply its purchasing power to get bar codes on products intended for hospitals and clinics. All expect employees to pick doctors willing to use and update their records, though employee compliance is voluntary. According to the companies, the records will be the property of the employees, and the data will be mined by insurers and others only after the patients' identity is stripped off.

"We're trying to bring all the right people to the table and show them what can be done," says Linda M. Dillman, the Wal-Mart executive vice president in charge of the company's budding health-care initiative. A late comer to the health-care debate, Wal-Mart has been criticized for its employee health plans, and it has sought out allies among medical societies and health-care advocates.

Intel and Wal-Mart came together on the initiative last summer at the suggestion of the Centers for Disease Control and Prevention. Each had been meeting separately with the federal agency to discuss its efforts. Wal-Mart's Ms. Dillman describes the linkup as a bit of unexpected luck. "There is only so much you can do internally. To make a difference, you have to reach outside your own four walls," she says.

Both companies' businesses could benefit from the initiative's success. Intel sells chips that power prescription-writing hand-held PCs as well as giant file servers. Wal-Mart, the third-largest pharmacy chain, will soon have 60 "miniclinics" dispensing basic health-care services, and it is rapidly expanding the business.

Wal-Mart and Intel also share a common enemy: benefit costs. Intel figures its health-care spending will be as much as a fifth of its research and development costs by 2009. Wal-Mart says the costs for its 1.3 million U.S. employees, if unchecked, will climb \$1 billion annually for the next five years.

While health care in the U.S. has remained paper-based and fragmented. Danish hospitals, pharmacies and general practitioners communicate via a secure, government-supplied network. Danes can go online to book medical appointments, renew prescriptions, view diagnoses and query their doctors.

At the heart of the Intel-Wal-Mart approach is the belief that if price and quality measures apply market pressures, technology can duplicate the integration that government-run health-care systems like the Danish one achieve. The final pieces to the puzzle -- pricing and performance information -- only recently started appearing online. The government posts pricing information using the fees charged to Medicaid. Groups including Hospital Quality Alliance, Ambulatory Quality Alliance and the Wisconsin Collaborative for Healthcare Quality rate hospitals and doctor groups on quality.

"The evidence is beginning to show that what gets measured and reported publicly gets improved faster," says Christopher Queram, president of Wisconsin Collaborative for Healthcare Quality, which began rating southeast Wisconsin hospitals and doctors in 2003.

"If this works, for the first time people and companies will be able to get a sense of how their doctors are doing so they can steer to or from them," says Sheldon Greenfield, director of the health-policy research center at the University of California, Irvine. Costs will fall when consumers can see "other doctors are achieving the same outcomes at lower cost. That's going to eventually affect us," he says.

Suitable quality measures for certain illnesses, such as depression and heart disease, aren't currently available, says Dr. Greenfield. But in other areas, such as diabetes, there are widely accepted ways to measure quality -- and match it to pricing.

The Intel-Wal-Mart plan to offer employees medical records and automatically update those records with hospital, doctor and pharmacy detail "is very ambitious," says Dr. Greenfield, an adviser to Care Focused Procurement LLC., a nonprofit putting together an HMO claims database. "We love the patient as the agent."

"It has always seemed unusual to me that the medical record is seen as the property of the medical system," adds Donald Berwick, chief executive of the Institute for Health Care Improvement, Cambridge, Mass. Tests are duplicated and information lost in the handoff between physicians or clinics. "The best integrator in the end is the patient," Dr. Berwick says.

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