



Judd Gregg, Chairman
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**Opening Statement of Chairman Judd Gregg
Senate Budget Committee Hearing on
Health Information Technology: The Federal Role and Budget Implications
July 20, 2005**

Our nation spends more than any other in the world on health care. We lead the world in medical technology of all sorts. We should all be proud of the advances our health care system has made in treating illnesses of all sorts in recent years.

Yet, we have all witnessed, over the last two decades how information technology has changed the way America does business. Unfortunately, our health care system still relies on paper to record, order and store clinical information. This means records get lost, information is difficult to find and mistakes are made, all because our health care system has failed to keep pace with advancements in information technology.

For example, toward the end of the last decade, most industries were spending about \$8,000 per worker for information technology. However, the health care industry was investing only about \$1,000 per worker.

This shortfall is true despite that fact that health information technology can reduce healthcare costs by up to 20% per year by reducing the time providers spend searching for and transferring paper records and by reducing the waste of unnecessary procedures.

Health information technology can also improve health care quality by reducing errors and making the most up-to-date scientific knowledge immediately available to

physicians. HIT even empowers patients to make more informed choices about treatment options.

Health information technology is also an important tool in tracking public health problems, including biological terrorist attacks and protects privacy by making sure that only authorized people see the medical record.

The challenge is immense, but the rewards both in improved quality and reduced costs are enormous. I have had a long standing interest in this issue and introduced S. 2710, the National Health Information Technology Adoption Act because I believe patients deserve better care and because the federal government is getting a poor return on the enormous sums of money we spend each year on health care.

I want to thank Secretary Leavitt for being here today to provide the Committee with an opportunity to hear how the Administration is working to accelerate the adoption of health information technology.