

Studies have shown that about 31% of overall healthcare dollars are spent on administrative tasks in the United States. With healthcare costs continually increasing, now approaching 19% of Gross Domestic Product (GDP) and being over \$3.4 Trillion per year, this is administrative burden costs citizens and government over \$1 Trillion a year that could be put to better use. Other countries have implemented healthcare and electronic systems to reduce these costs to 12-20%.

We should be able to achieve at least 10% and perhaps 15% or more savings by implementing nationwide systems in the U.S. to provide for:

- Immediate online secure records
- Immediate online insurance and benefit information
- Prompt online electronic payments

These are, along with universal health coverage, what other countries have done.

In Maryland we have been healthcare leaders on the clinical front. It is now time to tackle the administrative burdens. Our Health Services Cost Review Commission (HSCRC) and Chesapeake Regional Information System for our Patients (CRISP) are already models to build upon. Implementing cost savings will assist the State in maintaining the Federal waiver to maintain the HSCRC. CRISP is uniquely poised to expand its services to add the benefits and payments pieces to the electronic medical records functions they already provide and can further expand.

Some of the many benefits of immediate online record availability, insurance coverage and the ease of prompt online payments include:

- Increased access to care with reduced costs;
- Less administrative time and expense;
- Happier providers and patients;
- Ready availability of records to coordinate care;
- Quick look up of organ donor status, health care power of attorney and living wills;
- Patients can opt-in to facilitate research, which otherwise would not be possible;
- And assisting with lifesaving history when an emergency room patient can't provide information as after an overdose, accident or stroke.

The Maryland Medical Assistance (MA) program, while already more efficient than commercial insurance, provides a unique opportunity to have the State take the lead in developing this system to reduce the costs of the MA program, to increase provider participation in the program, and to serve as a model to expand this program to State and government employees and others who would like to voluntarily participate. It is estimated that expansion to government employees in the State of Maryland would save over \$70 Million per year.

A commission can be established to help recommend how to achieve these goals. It has been suggested that this program can be funded with a state bond, with a small, non-profit transaction fee being charged to pay bills electronically to repay the bond.

Additional background and references can be found at www.HealthCare-Savings.com.

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