HEALTH RECORD NETWORK

America's Network for Record Health

Brian J. Baum

Testimony
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Contact Information:

Brian J. Baum, CEO Health Record Network

brian.baum@healthrecord.org

410-489-2841

**(HRN is a collaborative program sponsored by Duke University -
Fuqua School of Business and Duke Medical Center)**

US Healthcare
Future State

<u>Vision</u>

④ Consumer Centric

④ Information-rich

④ Medical information follows the consumer, information tools guide medical decisions

Source: Framework for Strategic Action – Progress Report July 21, 2004

We know what "there" is…
We can define the destination

The Challenge
is getting "from here to there"

<u>Moving an Industry</u>

- $1.7 Trillion – 16% of US GDP
- Approximately 13 million employed in industry
- Almost 6000 registered hospitals
- More than 36 million admissions per year
- 500,000+ physicians
- Potentially almost 300,000,000 customers

A strategy to "get there":
Build it and they will come

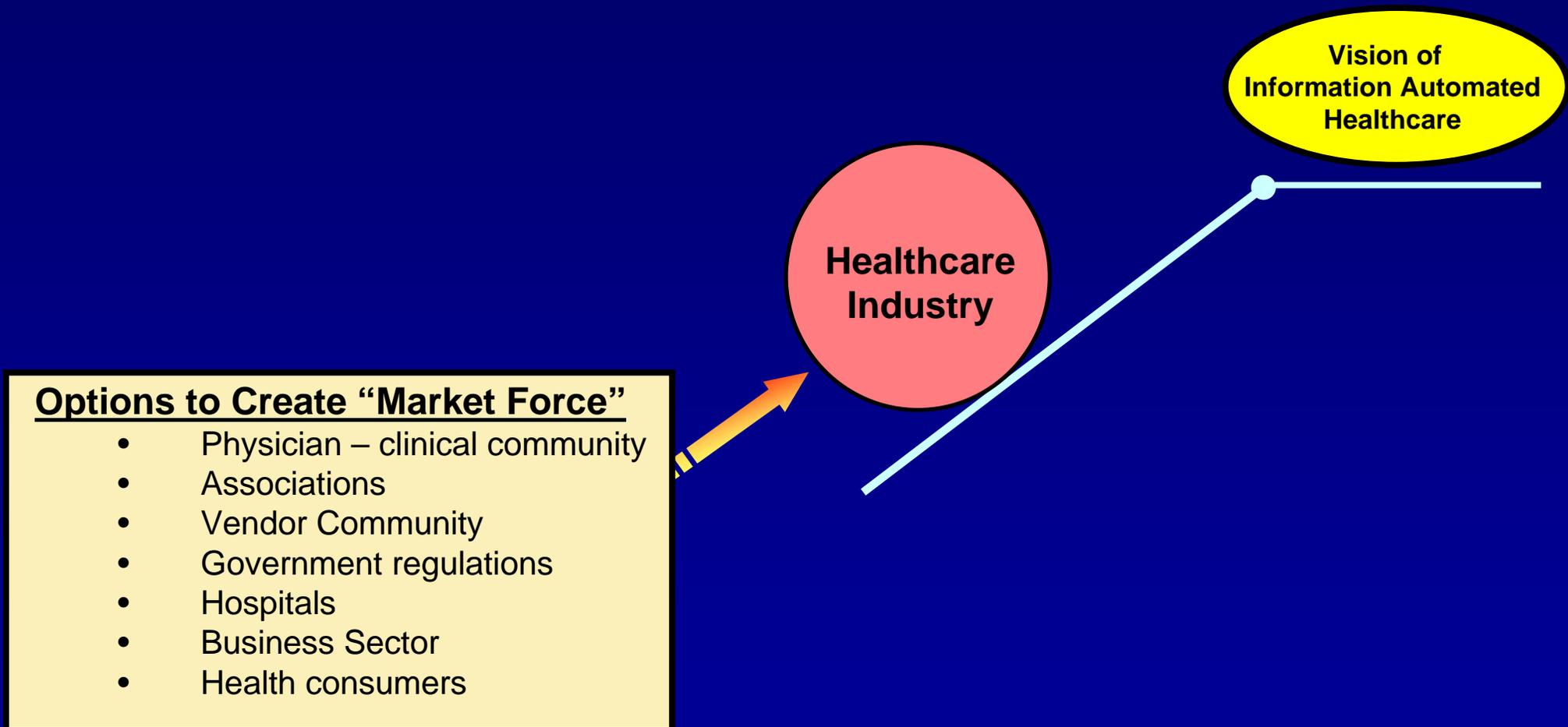## Tactics

④ Develop standards

④ Deploy clinical systems

④ Equip physician offices, clinics, labs, etc.

④ Raise funds for investment

④ Provide financial incentives to drive adoption

④ Create local networks

④ Over time, link networks

Net, net – an operational necessity, but a strategy with inherent risk

Health Record Network
A complementary, parallel approach

Vision of Information Automated Healthcare

Healthcare Industry

Options to Create "Market Force"
- Physician – clinical community
- Associations
- Vendor Community
- Government regulations
- Hospitals
- Business Sector
- Health consumers

HRN – grounded in physics (of markets): F=ma

Why the Consumer?

④ 10% of 300,000,000 = Market Force

How to Engage the Consumer?

1. **Segment the Market**: Early Adopters – Parents with children, baby boomers assuming responsibility for parents care, chronically ill, significant health events.
2. **Create awareness:** elevate consumer discussion of the benefits of automated health information
3. **Provide an easily accessible, universal solution:** market demand must be addressed with a solution – web based solution provides universal access
4. **Make it recognizable:** create a trusted brand that provides anywhere anytime utility
5. **Keep it simple:** don't start with full integration and automation – allow the market to absorb basic functionality and over time allow the market to demand greater efficiency
6. **Provide value:** even at a basic level provide obvious benefit and value to the consumer and his/her clinical team

Preliminary HRN Environment

What is HRN?

④ **Not for Profit organization**
  ▼ Independent, no commercial conflict of interest

④ **Branded – national solution, a national utility, e.g.,**

FDIC FEDERAL DEPOSIT INSURANCE CORPORATION INSURING AMERICA'S FUTURE — FTD.COM 1-800-SEND-FTD — NYSE New York Stock Exchange

④ **Board of Directors to publicly debate and define the rules of operation for HRN**

④ **Interoperability with EHRs - Overlay network**
  ▼ HRN interfaces to consumers, ultimately interconnects with clinical systems, LHIIs, labs, etc.

④ **Starts simply**
  ▼ Consumer provided information
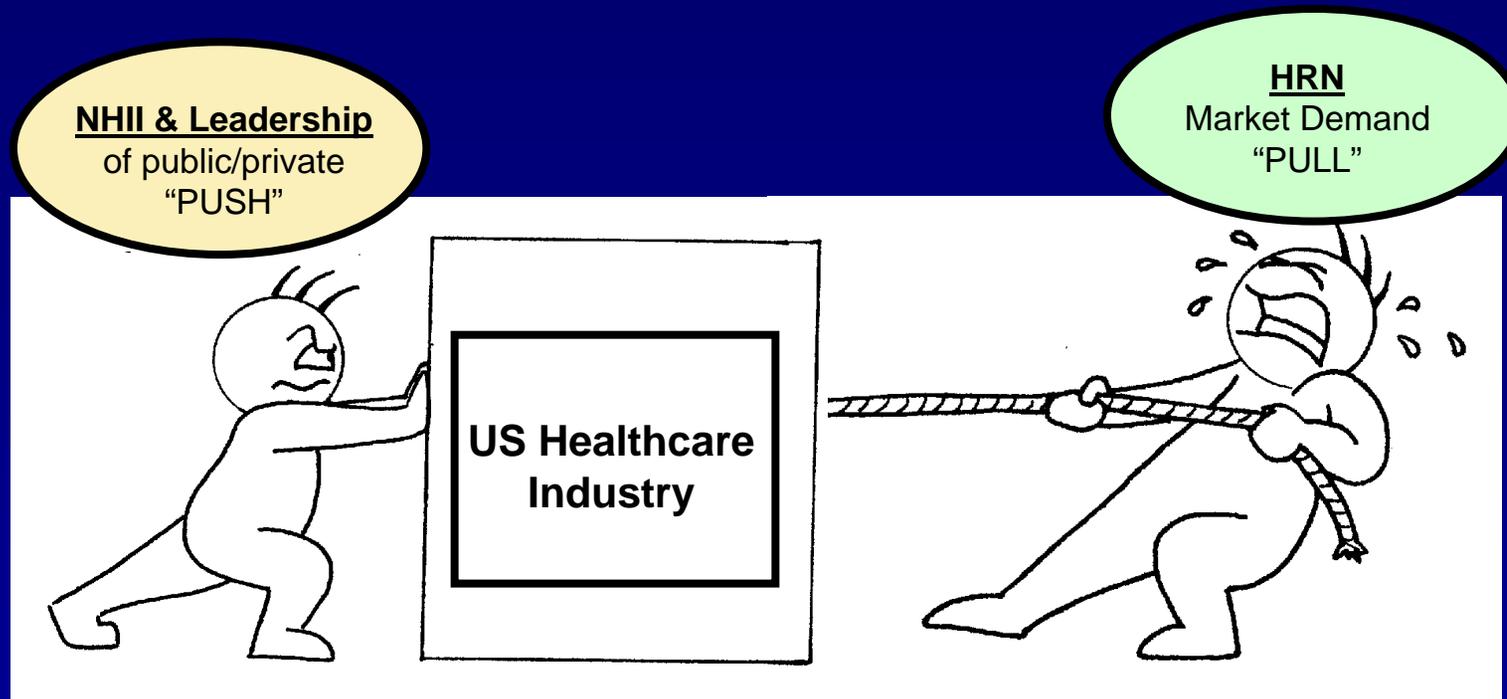 ▼ Grows with market demand for increased functionality and automation

HRN Business Model

Operating Principals:	1. Free service to consumers where individual information is used in the delivery of healthcare services. (Used by the consumer or by their clinical care team.) 2. Mine the value of the network to create financial self sufficiency
Business Objectives:	1. Create consumer demand for electronic health information. 2. Provide a nationwide web based solution for consumers to voluntarily initiate the creation of their base personal health record. 3. Leverage market demand to enhance the features and functionality of HRN ultimately interconnecting with automated data including: lab results, pharmacy benefit data, imaging and clinical information 4. Provide consumer support services including online and call center support. 5. Offer value added services directly or through third parties that allow consumers to improve the management of their health, by leveraging their health information. 6. To create a "branded" national health utility 7. To compliment the efforts of the NHII and related organizations focused on setting standards and building the clinical infrastructure
Operating Model:	1. Establish relationships within the business community, health industry and consumer groups to advance the agenda and begin cultivating market development activities. 2. Conduct a series of pilot programs to refine messaging, details of the offer, validate target audiences and identify the most efficient channels to reach early adopters. 3. Fund operations through a combination of public and private support in advance of financial self sufficiency.

HRN Status

④ State legislative approval to conduct statewide pilot in Wyoming

④ Pilot program at Duke Heart Center

④ Board of Directors assembled – including Stu Altman, Art Caplan, Newt Gingrich and others –focus, to define "rules of operation" for HRN

④ Canada – pursuing a parallel program in coordination with HRN

Complementary forces Together we can…

NHII & Leadership of public/private "PUSH"

HRN Market Demand "PULL"

US Healthcare Industry

Move the "unmovable"