



**Testimony of Joseph M. Smith, MD, PhD**  
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**Subcommittee on Health, Committee on Energy and Commerce,**  
**U.S. House of Representatives**  
**“Health Information Technologies: How Innovation Benefits Patients”**  
**March 20, 2013**

**SUMMARY OF KEY POINTS:**

- The West Health Institute (WHI) sees an enormous opportunity to use information technology and device innovation to transform health care delivery and create empowered, informed consumers of health care.
- We believe the three key enablers of this needed transformation are:
  1. **Predictable, transparent risk-based regulation that fosters innovation and investment.** Unclear, unpredictable, and/or heavy-handed regulation can have a chilling effect on the intersection of mobile technology, medical information, and clinical decision support. Stimulating innovation and experimentation requires a clear and consistent approach for when regulation enters the process and how far-reaching it should be. Our current regulatory environment favors large incumbents with domain expertise and financial resources necessary to navigate the ambiguity, complexity and, often, modified guidelines that unpredictably “move the goal posts.” Clear, predictable, and appropriate risk-based regulation can unleash the disruptive innovation required to transform health care to a sustainable enterprise.
  2. **A proactive regulatory and reimbursement stance to achieve true functional interoperability.** A WHI analysis shows that true medical device interoperability could improve the delivery of quality patient care and result in more than \$30 billion a year in savings. True system-wide functional interoperability exceeds the relatively narrow issue of electronic health records and specifically includes functional interoperability between medical devices to create seamless information exchange around the patient. In the absence of such interoperability information is confined in multiple non-communicating silos as lifesaving devices just inches away from one another are forced to work independently.
  3. **Reimbursement policy that aligns stakeholder incentives and drives adoption of appropriate technology.** The Health Insurance Portability and Accountability Act (HIPAA) and its implementing regulations were intended to protect consumers, but are sometimes applied as a reason not to share patient data. Patient care suffers when providers experience delays in receiving needed information. We must ensure that policies enable data sharing. In addition, systems that disproportionately reward face-to-face encounters over remote encounters must give way to reimbursement based on outcome and value - not process, location, and volume. Enabling technologies and disruptive care delivery models exist, however, until incentives are aligned, they will not be broadly embraced.