

HHS National Committee on Vital and Health Statistics  
Subcommittee on Standards  
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# Healthcare Smart Cards



# Healthcare Waste, Fraud, & Abuse

## **Institute of Medicine Report (9/12)**

\$750 B Wasted in Healthcare

- \$55 B = Missed Prevention Opportunities
- \$75 B = Fraud
- \$190 B = Administrative Inefficiency

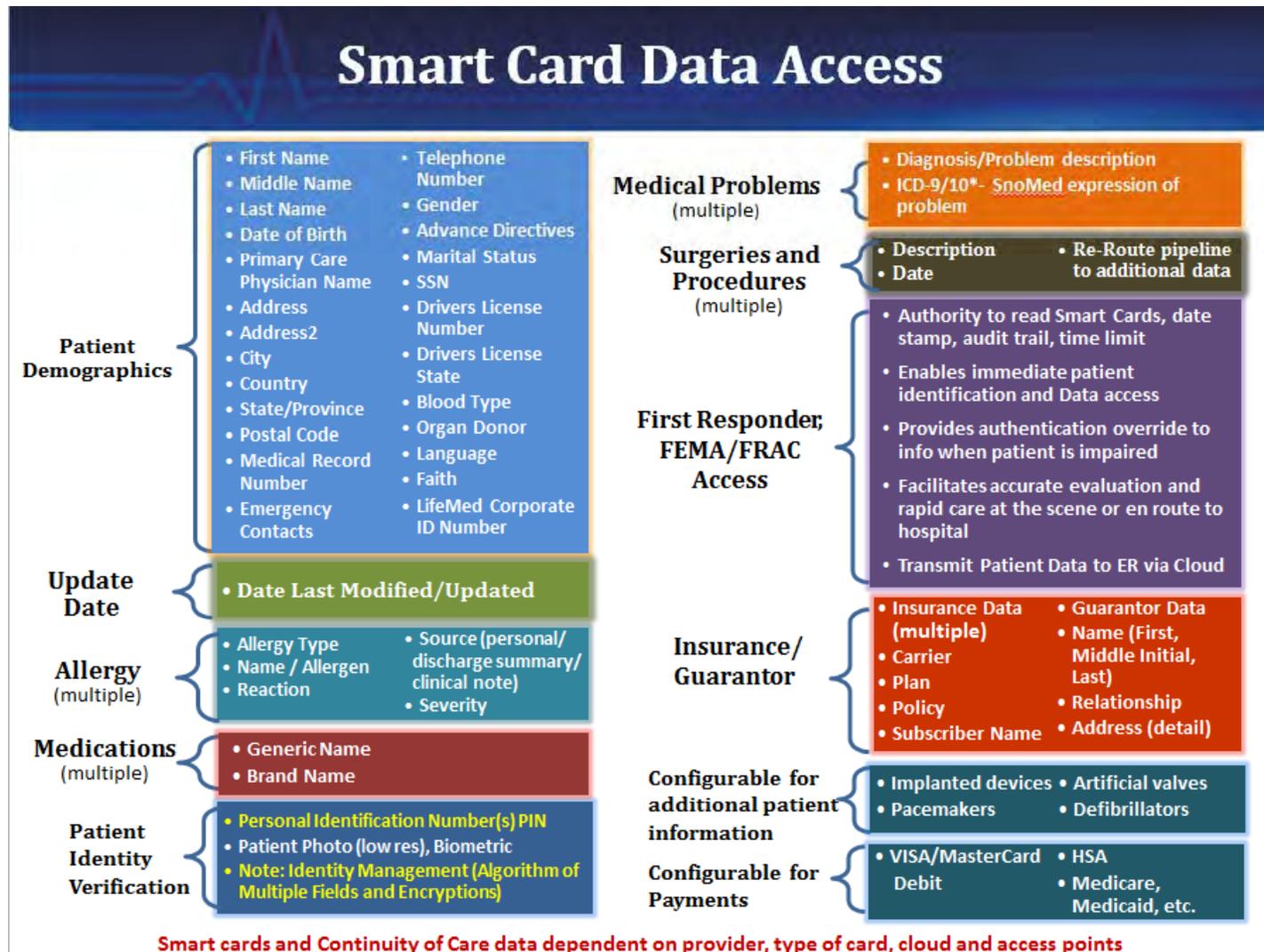
## **Department of Justice**

- \$231 B = Healthcare Fraud
- \$31 B = Medical ID Theft

# What's a Healthcare Smart Card?



# The Healthcare Smart Card



# HC Provider Benefits

- Instant patient identification
- Accurate link between patients and institutional medical records
- Elimination of duplicate and overlaid records
- Faster care delivery in emergency care settings
- Rapid accessibility to patient medical history
- Potential reduction in adverse events and medical errors due to lack of patient information
- Reduction in claims denials
- Faster access to key medical record data
- Integration with legacy systems with nominal IT costs
- Audit trail through a course of treatment that crosses multiple organizations
- Reduction in unnecessary/duplicate diagnostic tests or procedures by showing results from other medical providers

# HC Delivery Org. Benefits

- Accurate patient identity
- Reduced medical record maintenance costs (duplicate/overlaid)
- Streamlined administrative processing
- Increased awareness of provider brand, in and out of the service area
- Strengthened voluntary physician/referral relationships
- Ability to support value-added service to patient community

# Patient Benefits

- Positive identification at initial registration
- Secure and portable health record
- Personal ownership and control of access to medical records
- Easier and faster registration
- Improved and faster treatment and medical care
- Positive identification for payer coverage, treatment, and billing
- Accelerated treatment in emergencies
- Audit trail through a course of treatment that crosses multiple organizations

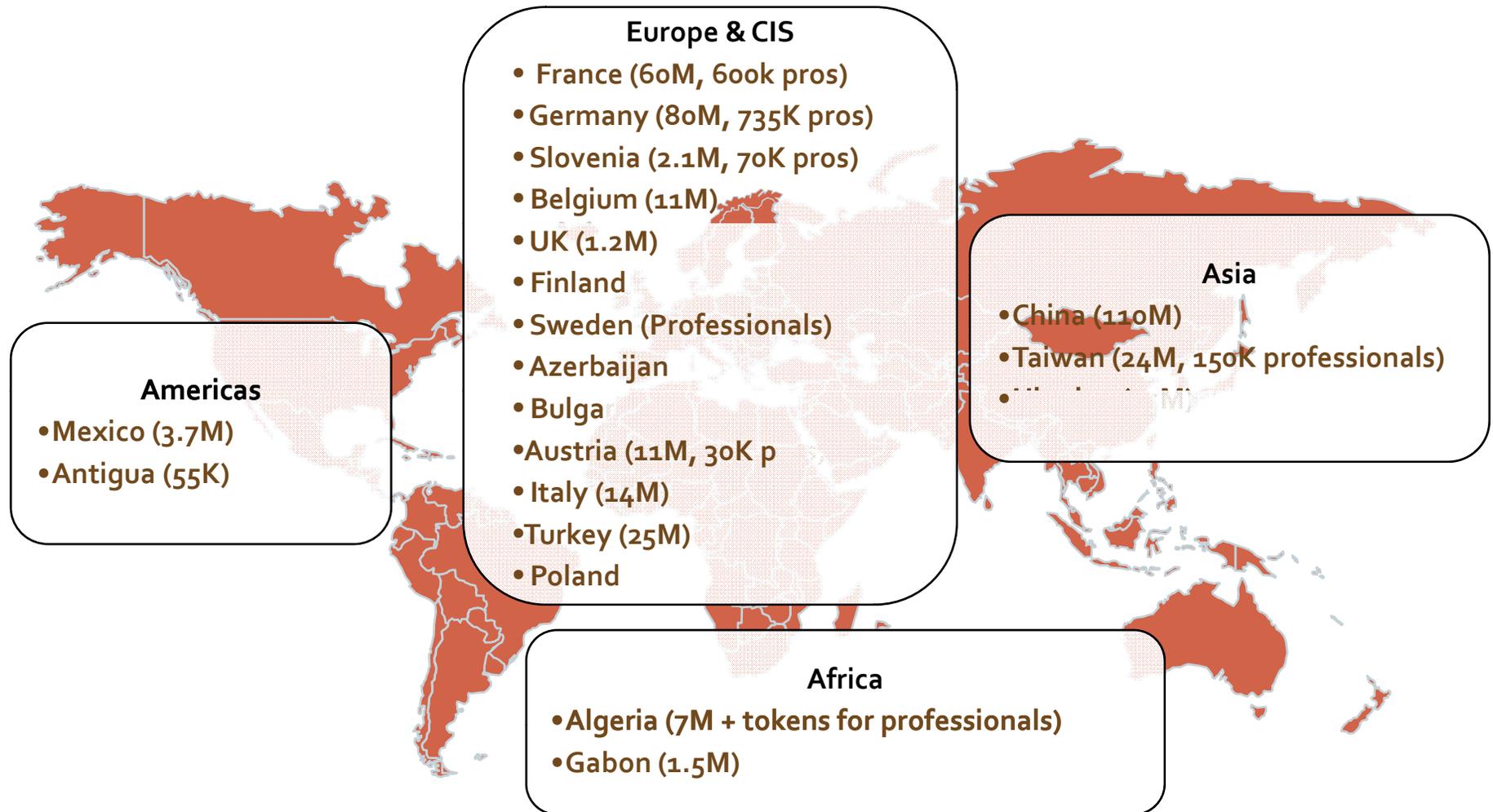
# Payer Benefits

- Positive identification of the insured
- Verification of eligibility and health plan information
- Reduction in medical fraud
- Reduction of duplicate tests and reduction in payments
- Enforced formulary compliance
- Immediate adjudication at point of care
- Potential integration with health savings account (HSA) cards

# HC Employer Benefits

- Highly secure identity credential for both physical and logical access
- Single sign-on capabilities (reduction in help desk calls/password management requirements)
- Link to other employee services (ID badge, parking, cafeteria)

# eHealth Card Deployments



# Healthcare Cost Reductions

- **France**: Processing costs reduced from € 1.74 to € .27 @ 1B transactions = €1.4B saved/yr.
- **Germany**: Fraud reduced € 250M/yr.
- **Taiwan**: Reduced administrative costs to 2%, the lowest in the world.

## Healthcare Cost Reductions Cont.

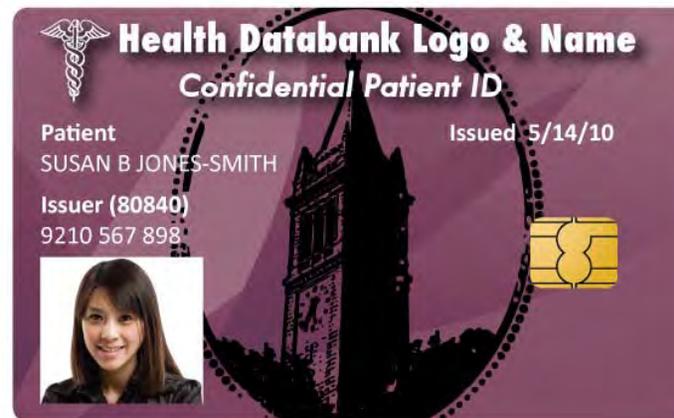
- Mt. Sinai, NYC: Eliminated \$1.8M in duplicate records clean-up every other year.
- Memorial Hosp., NH: Medical record error drop from 7% to 1%; Admission time drop from 22 min. to 3 min – saving \$574K/yr.

# Regulatory Compliance

- HIPPA Privacy Rule & Security Requirements
  - Assuring a patient's health info is properly protected, controlling access and use.
- Meaningful Use Stage One
  - Privacy & Security of EHRs
- DEA ePrescribing Controlled Substances
  - Allows compliance, ensures security
- Proposed: Medicare Common Access Card

# What Can We Do?

- Nationwide standard for healthcare use of smart cards using open, publicly available, non-proprietary standards.
- Protect patients, saves money for payers, strong security and privacy for all.



Thank You!



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