Thank you, Senator Bennett. I want to thank you for holding this hearing on health information tools for consumers and I want to welcome our panels of experts and thank them all for testifying here today.

I think the Joint Economic Committee has an important role to play in looking at ways that markets for all kinds of goods and services can serve consumers better, and health care is certainly a market that Americans would like to see work better. They would like to be sure that they can get affordable health insurance and high quality medical care. I think we would all agree that more and better health care information is good for everyone and is part of the solution to improving the performance of the health care market. But I would also like to strike a cautionary note.

A large fraction of medical expenses are accounted for by a small percentage of people, and many of those expenses are incurred in situations that are largely divorced from normal economizing behavior. So I worry that the benefits from better information, while real, are often oversold. Better information and increased transparency may help people make some routine medical decisions more wisely, but they are not likely to significantly affect the overall costs of health care or make much of a dent in the number of people without health insurance. I also think we have to be sensitive to privacy issues when we talk about making vastly more information available.

Those pushing hardest for greater information appear to be those who are particularly enamored of the “consumer-driven” approach to health care with its emphasis on high-deductible health insurance and tax-sheltered health savings accounts. The President’s push for consumer-driven health care would shift more costs onto individuals, while creating additional tax incentives for high-deductible insurance and HSAs that ordinary families will have little opportunity to use. High deductible plans don’t reduce costs or cover the uninsured, but they do have a tendency to discourage people from using health care services.

Consumer driven health plans rely on consumers to obtain reliable information on treatment choices, quality, and charges by providers. But the concept of “empowering” consumers to make cost-conscious choices about their health care decisions is misleading, because purchasing health care is not like buying a car or a washing machine. You simply don’t have a lot of time to shop for a doctor when your appendix bursts. Health - more -
care needs are often unanticipated and patients rely on their doctors’ expertise to guide their medical decisions.

Finally, for years we have heard that our information technology systems are inadequate and that patients die because of mistakes that could have been corrected if we had better technology and record-keeping. Clearly, government and the private sector have a responsibility to close the information gaps that are affecting the health of or having a life or death impact on Americans.

I look forward to the testimony of our witnesses here today and to a discussion of these issues.

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