

HealthUnity™

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Good afternoon, Chairman, members of the subcommittee, ladies and gentlemen.

My name is Prem Urali. I am the Founder and CEO of HealthUnity Corporation, a 17-month old health information technology company based in Bellevue, Washington.

First, let me start by thanking you for giving me the opportunity to present our Company's views in front of this sub-committee.

HealthUnity was founded with the singular vision of providing a solution for getting the right clinical information to the right person at the right time. We have two real-world deployments underway: one in Bellevue, WA and the other in Baltimore, MD, where we have had early successes in enabling regional health information exchanges to flourish.

HealthUnity's approach and early successes can be summarized in the following key points:

1. Our approach is targeted at the grass-roots -- we start with clinicians. They are the knowledge workers who need to be introduced to the health technology world right at the outset. If the clinicians are not on board we will not achieve the national vision we seek, despite the involvement of others.
2. Secondly, we provide an affordable solution that is also the best in its class.
3. Thirdly, we take care of all of the external integration and communication needs – a critical piece that has been missing till now. Clinicians want to communicate electronically with other clinicians, labs, radiology centers, hospitals and patients. Facilitating this communication is what we do best.
4. Finally, we have a business model that is scalable and sustainable, and which produces the best solution for the clinical communication and collaboration problem.

Let me now summarize my thoughts on the role health information plays in improving care.

Healthcare is essentially a local, or at best regional, activity. The patients and their providers (hospitals, labs, physician practices etc) are all located within a given locale or region. Hence any approach must start at the regional level. There are three goals that are central to regional care providers that also align

perfectly with the national vision. I am limiting my analysis to goals that are relevant from a provider's view-point because that is where I believe all discussions around information technology adoption in healthcare should begin.

The first goal is improving quality of care:

The often quoted figure is that 96,000 avoidable deaths occur in the US each year. By electronically recording, communicating, and archiving health information and analyzing de-identified health information, we can help reduce the incidence of errors and improve quality of care. This can be achieved by providing patient-specific, as well as population-wide, interventions.

The second goal is addressing efficiencies:

Information technology has the power to reduce the cost of doing business for all the providers involved. Today, there is still a ton of papers, faxes and phone calls passing between care providers. At HealthUnity we address inefficiencies by automating major workflows, such as patient demographics exchange between healthcare entities, automation of the referral process, clinical information sharing, distribution of lab and radiology results, and several other frequently recurring processes. These savings lower the operating costs for care providers and help them run their businesses better. In addition, by making historical data seamlessly available to care providers, we reduce the practice of defensive medicine. If prior data is available and easily accessible, providers are less likely to reorder tests and procedures. This reduces the level of waste in the system. Providers need not be concerned about overall revenues falling. We need to keep in mind that there is no dearth of growth in demand for health services with our ageing population. By reducing wastage and reducing the unit cost per visit or procedure, providers can treat and meet the needs of more of our citizens at a lower unit cost to the system.

The third goal is to improve the patient experience:

Today, as patients, we often have frustrating experiences when we visit our doctors and the dreaded clipboard is handed over for us to fill out. Often patients who see multiple providers may have to fill out the same form multiple times over the course of a single day. Additionally, patients who see multiple providers appreciate what it takes to transport medical data between their various care providers, and consequently they themselves act as coordinators of their own care. Technology can help the system do what it is supposed to do and make the care delivery process considerably more patient friendly. Clinicians would love to see this happen at an affordable cost to them.

I hope I was able to illustrate the core benefits of a connected healthcare environment. Now, let me turn to the topic of incentives and barriers.

The key barriers hampering technology adoption are in physician practices. The other healthcare providers are typically larger and can easily afford new investments or have already made investments in health information technology.

Deployment of an electronic medical record system, or EMR, requires up-front capital and causes a short-term drop in practice productivity. Furthermore, an EMR, coupled with a practice management system, or PMS, does not completely address the three goals I spoke of earlier. The third missing piece is the bidirectional external communication solution. Any real solution should squarely address: 1) How to help physician practices raise capital for deployment and operation of an IT solution that addresses EMR, PMS and the bidirectional communication need. And 2) How to promote the education of the market on the best practices for adopting those solutions in a way that minimizes disruption in practice productivity.

In summary the barriers are 1) Capital for deployment and operations and 2) Practice disruption during implementation. Here are some practical suggestions on how incentives can be targeted at these two barriers: 1) Let any interested party finance physician practice adoption of technology, with no strings attached or with only a minimal requirement that the physician practice match the interested party's funds with their own funds, or match the funds in kind. 2) Provide incentives for standardization and commoditization by implementing the solution such that there are hundreds of people who have the expertise to implement these technologies for a low price.

Let me now turn to the topic of the federal government departments and agencies, such as the Department of Health and Human Services and NIST, and the role they currently play and could play in the future. HHS and the Office of the National Coordinator have done a phenomenal job in raising the awareness in the industry and setting a national agenda in terms of appropriate goals and strategies. This was done in record time and we commend them for serving the nation well. In the area of execution, we believe we can share some of our experience, which might help all of us achieve the national goals in a more capital and time efficient manner.

Our nation owes much of its economic success to its numerous entrepreneurs, inventors, and workers. Equally importantly our nation owes its success to the right policies enshrined in our constitution, our laws and the various administrative and legislative bodies. When a major challenge such as the adoption of Health IT stares at us, we go back to the formula that has worked for over 200 years, and that is that the Government does what it is best at –setting the right legal and policy environment, and the private sector does what it is best at - innovating and creating the best health information infrastructure in the world, one that is constantly innovating and keeping us at the fore front. Government intervention in the free market should be the last resort. We are all for Government incentives and removal of barriers. But we are not for Government picking winners and losers in the free market by massively spending the public's money on direct Health IT projects managed from our national and state capitals. We understand the urgency within our government and public officials to get things done quickly. We also think there has not been sufficient progress in

creating the right policy environment and the right incentives environment and then letting the private sector innovate. We would like to see more of HHS' and the Office of the National Coordinator for HIT's resources targeted towards solving the policy deficiencies and the incentives for private sector development.

Addressing the topic of standards, NIST has a role to play as standards emerge. Standards make sense when a value proposition can be clearly articulated and there is strong consensus around that value proposition. Let me give you the example of my ATM card. When I travel to Europe, I can withdraw cash from most ATM machines there. However, I cannot call up my bank statement from Europe. The value proposition here is very clear. When traveling out of your home country, you want to be able to get cash. However, you don't particularly care if you are able to get your last month's bank statement. Translating this analogy to the healthcare environment, the scenario that is most important at a national level may be quite different than what is most important at the regional or local level. Our first goal is to set in motion a policy and incentive framework that will identify the scenarios that are important at the regional level. When a clear picture emerges at the regional level, we can then identify a subset of the regional scenarios that would be important at the national level. At this stage our focus needs to be on the regional scenarios. When a clear value proposition emerges for a given regional scenario then we can move forward to standardize it at the national level. NIST can play a key role in this process.

Our observation is that the national standards are being worked on without first letting the local and regional standards sufficient time to emerge. Again, I clearly understand the urgency of our government and public officials to achieve tangible progress. We want to help by providing our candid feedback so that the national debate includes the voice of a firm which is making progress on the ground at the regional level.

We thank you for the opportunity again. I look forward to taking some questions.

Biography

Prem Urali President and CEO

Prior to founding HealthUnity™ Corporation, Prem was a Group Manager in the BizTalk Server division of Microsoft, responsible for the BizTalk Accelerator line of server products including the HL7 and HIPAA Accelerators (integration engine). Prem incubated these initiatives from concept to \$10 million in incremental revenue in 3 years. Prior to Microsoft, he founded a B2B software company Comercia Corp, which was acquired by Microsoft in 2000. Prior to that Prem held the position of CTO of Petopia, now a division of Petco Animal Supplies (NASDAQ: PETC). Under his leadership, Petopia was ranked by InfoWorld in its e-Business 100 list in 1999. Previously, Prem worked for 4 years in the consulting services division of Microsoft, where he was one of the youngest persons to be elevated to the position of Principal Consultant in 1998. In this capacity, Prem lead the program that launched the very first electronic commerce presence for Gap, Baby Gap and Gap Kids. Prem, has founded companies in India and US in the software consulting and product areas.

He earned a Master of Science degree from Iowa State University in Computer Engineering. He also earned an MBA from the Wharton School of the University of Pennsylvania. Prem has 3 patents pending in the area of message-oriented middleware systems.

About HealthUnity Corporation

HealthUnity was founded with the singular mission of providing the right clinical information to the right person at the right time. HealthUnity is the "RHIO in a box" company. HealthUnity's affordable solution can be used to build regional health information networks that support organic growth from as little as two entities to hundreds of entities. Our tag line is "Trust is Earned" which reflects our commitment to protecting security and privacy of patient data.