

Healthcare IT News

Healthcare IT News

Leavitt predicts 'Travelocity' system for healthcare pricing

By [Diana Manos, Senior Editor](#) | 09/26/07 |

CAMBRIDGE, MA – If Health and Human Services Secretary Michael Leavitt has it his way, one day before 2014, Americans will be able to search online for pricing information on healthcare the way they can search for plane tickets today on Web sites such as Travelocity.

At a public address at Harvard University's Kennedy School of Government Tuesday night, Leavitt said the best insurance for quality in any sector of the economy is the marketplace itself, and right now, healthcare is exempt from market pressure because so little information is known to the public.

We need to be able to compare cost and quality, Leavitt said. Standards of care need to be set by the medical profession. Then, with the use of electronic medical records, we can have the health equivalent of Travelocity, he said.

Leavitt also predicted that patients will be able to populate their own electronic health accounts that "[they] own and hold," and will have access to transparent data to make decisions on quality. The reason people don't make good decisions on their healthcare now is they don't have the data, Leavitt said.

Leavitt warned that America's healthcare spending, if left unchecked, could erode the nation's standing as an economic leader in the world marketplace. He said no country can afford to spend 25 percent of its Gross Domestic Product on healthcare spending, which is where he predicts the country is headed over the next couple decades from the current 16 percent.

Leavitt's value-driven plan for U.S. healthcare calls for episodes of care - that is, all the aspects to a medical test, surgical procedure or treatment - to be packaged and evaluated for quality and priced competitively. Information will be gathered electronically, then made know to the public.

Leavitt said he was inspired with the idea of comparing episodes of care when he totaled up the bill for a colonoscopy in Washington, D.C. at \$6,000, which comparably ran for \$3,000 in Utah. Leavitt, who has family in Utah, elected to have the procedure done in Utah, after evaluating it would be done with the same level of quality. "There is no reason why healthcare costs and quality can't be standard across the country," Leavitt said.

"I had no idea how much a colonoscopy costs," Leavitt said, when he discovered the price of the procedure. "I would normally have just given them my insurance card and not asked any questions. This is what most Americans do, and it is how the nation is experiencing runaway healthcare costs at an alarming rate," he said.