



Interviews

Wal-Mart CEO Calls on Businesses To Step Up Health IT Efforts

by Colleen Egan, *iHealthBeat* Editor
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Just who is responsible for transforming the U.S. health care system? The private sector? The public sector? Health care providers? According to one of the nation's top business leaders, transforming health care is a shared responsibility.

"The time for politics in our nation's debate on health care has passed," Lee Scott, CEO of Wal-Mart, said on Tuesday at the World Health Care Congress in Washington, D.C. According to Scott, it's time to take action, and businesses should be a "catalyst for positive

change."

Scott said that businesses can further the effort to transform health care through three steps:

- Empowering consumers;
- Applying technologies; and
- Increasing efficiencies.

Providing consumers with cost and quality information and empowering them to make informed health care decisions is a departure from the current health care landscape -- one in which consumers can't compare the cost or quality of their treatments. Scott said that if he ran Wal-Mart stores like the U.S. health care system, consumers wouldn't be sure of what they were purchasing and they wouldn't know the price even after they had checked out.

"You can't expect consumers to make the best decisions in an environment like that," Scott said.

The Technology Connection

IT, which has long played a major role in boosting business efficiency, is still largely an untapped resource in health care. At Wal-Mart, Scott said technology is used to track shipments, which has resulted in lower costs and more streamlined processes. Scott said that he wished he could say the same about health care.

Instead, the health care system is "caught between two worlds," Scott said. That is, many health care providers are using high-tech medical devices, but they still rely on outdated, paper-based record systems, he said.

Some of the barriers to health IT adoption are the high costs of technology and the fact that there are no universal standards. Scott said that the business community should challenge itself to overcome these obstacles. According to Scott, the "private sector can lead" this effort.

Engaging Consumers

Citing Wal-Mart's \$4 generic drug program, which started in September 2006, Lee said that when

consumers were presented with price information, they act like consumers. That is, they check prices and factor that into their decisions. He said that the program so far has saved consumers \$290 million on certain generic drugs.

In addition to the prescription drug program, Wal-Mart in December 2006 partnered with four other major U.S. corporations to launch Dossia, a not-for-profit group that will provide personal health records to employees and their dependents. Along with Applied Materials, BP America, Intel and Pitney Bowes, Wal-Mart employees will be able to use the system to create PHRs that are safe, secure and up-to-date. Dossia eventually could lower health care costs by reducing medical errors, improving management of chronic conditions and eliminating redundant tests.

Health IT is "perhaps to single largest opportunity to drive down costs in the health care industry," Scott said.

Creating business partnerships was a key theme in furthering health IT progress, as Scott noted that Wal-Mart also has teamed up with the University of Arkansas and Blue Cross Blue Shield to establish the Center for Innovation in Health Care Logistics, a research center that aims to improve health care through the use of IT.

Scott stressed, "We all can do more" to improve health care. He suggested that businesses explore possibilities such as giving employees the option of owning an electronic health record or joining Dossia.

"This is too important for anyone to be sitting on the sidelines," Scott said.

More on the Web:

- [Center for Innovation in Health Care Logistics](#)
- [Dossia](#)
- [World Health Care Congress](#)