



Written by [Chris Bentley](#) on September 5, 2005

## The New Healthcare System

On July 31, London's [The Business reported](#) that Thompson "is putting the final touches to a plan that could result in US citizens having [an RFID] chip inserted under their skin." Scott Silverman, CEO of Applied Digital, told [WebMD Medical News](#) on July 27 that "some 2,000 people worldwide are using" his company's implants. "But," [the WebMD report noted](#), "soon he expects that millions of people will get VeriChip implants every year."



Silverman also commented to [WebMD](#) that when his company "first announced VeriChip, a network poll asked people if they would put one in their bodies. Only 9% said yes. After FDA approval [in October 2004], 19% said yes. When former HHS Secretary Tommy Thompson joined our board, the rate went up to 33%. But our own study shows that if you ask people whether they would have a VeriChip implant to identify their medical records in case of emergency, the positive response goes to 80%."

Skeptics will dismiss Silverman's optimistic business forecast as greatly exaggerated, and those with a natural distrust of polls will question the validity of the data. But putting that aside for a moment, consider the fact that Applied Digital is positioning itself to get some major help — from the federal government.

According to [The Business](#) report, "the RFID capsules would be linked to a computerized database being created by the US Department of Health to store and manage the nation's health records." Thompson said he "intends to publish the proposal in the next 50 days, by which time he plans to have had a VeriChip inserted in his arm." The former HHS secretary is definitely positioned to use his past employment to help his new employer.

Conveniently, on June 16, Senate Majority Leader Bill Frist (R-Tenn.) and Senator Hillary Clinton (D-N.Y.) introduced S. 1262, with its very benign-sounding title of "Health Technology to Enhance Quality Act of 2005." During a press conference at George Washington University Hospital, Senator Clinton tidily summed up the nature of S. 1262: "This legislation marries technology and quality to create a seamless, efficient health care system for the 21st century." Senator Frist described it as "an interoperable national health information technology system."

The bipartisan duo proposed before the Senate "three concrete steps" to construct this "seamless" system. The first one would be to establish "standards for electronic medical records." S. 1262 would codify into statute the Office of National Coordinator for Health Information Technology, an office



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already set up by President Bush in April 2004. The coordinator's major duty would be, among other things, to "facilitate the adoption of a national system for the electronic exchange of health information." This certainly looks like the same system mentioned by the July 31 London-based *Business* report.

The second step would be to "[reduce] barriers and facilitate the electronic exchange of health information among providers in a secure and private way to improve health care quality and meet community needs." S. 1262, if enacted, would do just that by bribing states with "incentive grants," giving priority to those "that provide assurance that any funding awarded under such a grant shall be used to harmonize privacy laws and practices." Translation: the bill would take money from taxpayers in some states and give it to other states that "harmonize" their laws with the federal government's standards. And it wouldn't take long for those reluctant states that are missing out on their share of the spoils to get in line.

Third, S. 1262 would also allow the government to "use the data [collected in the system] to focus intensely on improving the quality of health care." "With this data," said Clinton, "we can begin to move to a health care system that actually rewards providers who give their patients superior care." S. 1262's "reward" mechanism allows for "competitive grants" to be doled out "to eligible entities to implement regional or local health information plans to improve healthcare quality and efficiency." Those on the government's potential client list are "group health plans or other health insurance issuers," "health centers," "rural health clinics," "consumer organizations," "employers," or "any other healthcare providers or other entities."

Senator Clinton, whose efforts to nationalize healthcare were stymied in the 1990s, now has a capable, influential, and willing cosponsor whose conservative veneer is just the right spoonful of sugar to help this totalitarian socialist medicine go down.

If this socialist healthcare scheme is allowed to pass, and Applied Digital succeeds in partnering with government, then Americans will be seduced into accepting a "seamless" nationalized healthcare system. But those who participate will also end up with a medical ID implant that will undoubtedly morph into a mandatory national ID.

(AP Photo/Rick Bowmer)



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