

Computer Medical File Called Privacy Threat

By Victor Cohn

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Curbs are needed to keep Americans' medical records private now that they are being stored in a central computer and traded by health insurance companies, according to a public interest doctor and Sen. Edward M. Kennedy (D-Mass.).

Every day, charged Dr. Sidney Wolfe, director of Ralph Nader's Health Research Group, "the records of 30,000 patients are burglarized, with less overt violence but similar consequences to breaking into doctors' and psychiatrists' offices."

The place this is happening is a Boston computer center serving the Greenwich, Conn., Medical Information Bureau—a computer facility through which 760 insurance firms have stored facts on "the medical problems and personal habits" of almost 13 million persons—Wolfe told a Senate consumer credit subcommittee considering possible amendments to the Fair Credit Reporting Act.

When a person authorizes an insurance firm to see his medical records, he does not consent to make them available to hundreds of other firms via this bureau, Wolfe and Kennedy testified. Yet firms are regularly trading this information, Wolfe said, "to segregate out those who are physically or mentally ill, and make it more difficult for those persons most in need" to buy health or life insurance.

In reply, Joseph C. Wilberding, the bureau's director, said the information-swapping is needed to guard against selling insurance at normal rates to "the forgetful" or "outright cheats"—people with ailments who are "willing, ready and anxious to have someone else pay the extra cost of their protection." Firms, he said, may use the bureau's information only as an alert to spur their own studies, and may not rate or decline an applicant on the basis of the alert alone.

Kennedy called these "weak and inadequate assurances" and introduced amendments to:

- Require insurers to get an applicant's consent to forward records to anyone else, and inform doctors that this is being done.

- Further require that all relevant data be shown to anyone denied insurance or consumer credit.

Wolfe urged that the bureau also be required to immediately notify all those "it has been spying on" that a file exists; that "unless there are compelling reasons to the contrary," the contents of each patient's file be made available to him or her; and that insurance applicants be given written assurance that their refusal to authorize transfer of medical records will not result in an increased premium or rejection.

In an interview, Dr. William H. Moler, associate director of the National Institutes of Health's division of computer research and technology, agreed that the bureau's record transfers are an "exposure of privacy," and said curbs like those Kennedy and Wolfe suggested are "certainly worth exploring."