

## Healthcare Innovation Advice for Technology Leaders

*Gienna Shaw, for HealthLeaders Media, October 31, 2011*

Innovation and change were common themes at this year's College of Healthcare Information Management Executives annual forum—from the challenge of working in a disruption-averse industry to the changes that healthcare will face in coming years, whether healthcare leaders want to face it or not.

The U.S. must move toward lower-cost caregivers and venues of care, said keynote speaker Clayton Christensen. To do so, disparate groups must overcome their reluctance to collaborate and share power to adopt changes that make common sense, would make care more convenient, and save money.

For example, he said, nurse practitioners could play a bigger role in administering colonoscopies, but physicians object. Meanwhile, physicians say they could do colonoscopies in their own offices, but hospitals object. Christensen, a Harvard business professor and author, also said that current care delivery must be revamped. Too many healthcare organizations try to do everything for everybody—an inefficient and expensive model.

He cited as an example two manufacturing plants. The first organized its workflow around its expensive equipment and machinery. The plant could make any piece of equipment, but the steps to do so were constrained by the layout of the machines, resulting in a work process with many steps and an inefficient, multi-step, multi-directional workflow.

The second plant decided to focus on manufacturing specific pieces of equipment that worked with the plant's linear pathway. The second plant could not do everything for everyone, but it could do jobs that fit its schematic with higher quality and lower costs in less time than the first plant.

Most hospitals are set up like the first plant when they should be set up like the second, Christensen believes. The average hospital has 110 different pathways. And while we do need general hospitals, we just don't need quite so many, he said.

The second manufacturing plant is a model for what Christensen calls a "solution shop hospital." This type of healthcare facility identifies specific problems and finds and recommends solutions. National Jewish Health in Denver, a respiratory hospital, is one example of the solution shop hospital. A patient flies in and four pulmonary and respiratory disorder specialists come into his or her room, ask questions, argue with each other, look at the data, do some tests, and come to an agreement about the diagnosis and recommended treatment plan.

Even considering that the patient flew to the facility and spent 30 minutes with four different doctors, comparatively speaking the encounter was "dirt cheap," Christensen said. "A precise diagnosis is worth its weight in gold ... and it will save money down the line in care."

### Passion and dispassion

Innovation and change were also themes of Michael Leavitt's keynote address. Leavitt, who served as governor of Utah and as secretary of Health and Human Services, said the healthcare industry has always been driven by compassion. That is part of the American ethos, he said.

In the next five years, however, there will be a new force shaping healthcare: global economic dispassion. Financial reality will force healthcare to do a better job of finding greater efficiency through collaboration and networks such as accountable care models. Otherwise, compassion runs the risk of being run over by dispassionately demanding creditors, Leavitt warns.

Like Christensen, he suggested that having general-service hospitals on every corner is not a sustainable model. Having fewer hospitals is not dispassionate, he said, but economic reality.

So what is the role of innovation in this new healthcare landscape?

In the past, healthcare innovation meant inventing a new device or finding a new treatment protocol. There is now a new category of innovation, Leavitt said, and it's all about finding, defining, and demonstrating value. "The future will belong to the people who innovate in that space," he said, and will define healthcare organization's ability to succeed.

Those organizations that resist innovation will fall victim to economic dispassion. Healthcare organizations have three choices, he said: fight innovation and die; accept it and chance to survive; or lead it and prosper.

### Six Steps to Innovation

Innovation doesn't just happen—it requires an idea-to-execution process, says Ed Marx, senior vice president and CIO of Texas Health Resources. Done right, innovation can play a role in both developing and supporting the business strategy and can improve clinical and business outcomes.

Marx, offered the audience at the CHIME meeting advice for nurturing and sustaining innovation:

- **Invest in innovation.** It doesn't take magic to innovate—just money, people, and time. Provide clear support from senior leaders, encourage innovation among all employees, give employees time to think, and encourage collaboration.
- **Build an innovation process.** Create and define a process for innovation, focus on continuous improvement, and set up program management. Throughout the design, think about the customer's experience and ideas.

- **Hire for innovation.** Don't hire people just like you, Marx said. Rather, hire creative types—even people who make you feel uncomfortable or who are nonconformist. "I don't care what people wear," Marx said.
- **Manage innovation killers.** Folks who say they are "just playing devil's advocate" are often really just trampling on an idea. Don't tolerate it.
- **Embrace failure.** Non-clinical failures are a good opportunity to learn. Good leaders understand that, Marx said, and resist "destructive criticism."
- **Lead innovation.** Leaders should operate with humility but also with courage. "I'm not afraid to take on anyone in the organization," he said. "And I protect my people."

The innovative attitude at Texas Health Resources has resulted in several unique technology programs. Among them:

- Personal health devices to monitor patients and keep them out of the hospital, including blood pressure cuffs and personal EKG devices.
- A "Connecting Babies" program that allows parents to check on their infants in neonatal intensive care units via video. It includes a social media element that lets parents and caregivers interact.
- A venous thromboembolism calculator that alerts physicians when a patient is at risk for a VTE and automates the calculation process that does use to create orders, replacing the old paper-based system. Since introducing the app, VTEs are down 20%, Marx said, and the process takes about half the time.

"When you innovate, you save people's lives," Marx said. "If you don't innovate you will perish."

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