

# DRIVING INNOVATION IN HEALTHCARE

# An idea of something new?

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## in·no·va·tion

**Pronunciation:** i-nə-vā-shən

**Function:** *noun*

**Date:** 15th century

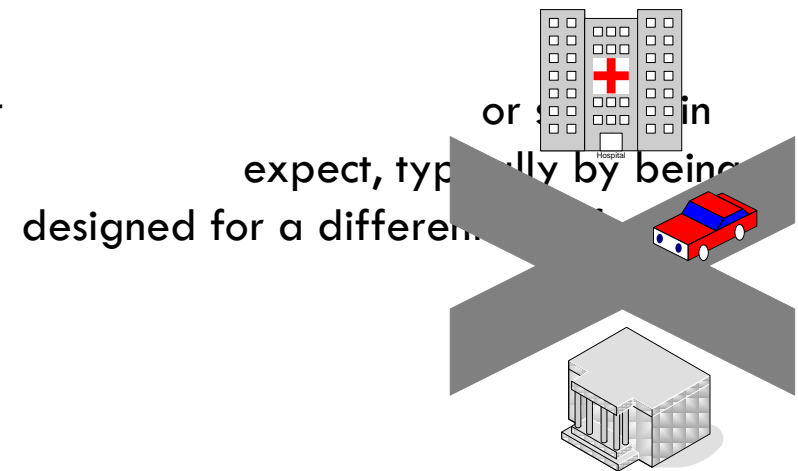
**1** : the introduction of something new **2** : a new idea, method, or device : novelty

**in·no·va·tion·al** \_ \-shnəl, -shə-nəl\ *adjective*

# Existing and disruptive value

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- Alternative perspective: Innovation is the catalyst of increasing **value** to a system (i.e. a business model, an industry, goods, or services).
- There are two paths of innovation
  - Existing value
  - Disruptive value
- **Disruptive innovation** improves a product ways the market does not lower priced or consumers.



# It all begins with a question

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There is potential revenue in Medicare Advantage products.  
We need one.

*You can only market Medicare Advantage products to your current members or friends.*



We need a group of consumers age 64 years and older who are *our* members and friends.

*Build a club, you know, like the old seniors program, so that we can then market Medicare Advantage and secure that market.*



Consumers don't want to join hospital sponsored clubs anymore. There are travel groups for travel. We already offer valet parking. So many services have been deployed to ambulatory settings. ***What is the value proposition?***

# A journey from question to process to hardware

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Identify administrative **champion**, physician **champion**, **multidisciplinary team**



Specify the **job**, the **purchasers**, the **current situation**, and current **value** proposition.

**Toolbox:** Blue Ocean Strategy, Primary Research, Focus Groups, Market Assessment

**Objective:** Develop a product “so much more affordable and accessible that a much larger population of people could purchase, and people with less training could provide them and use them.”



*Thinking Inside the Box* with those interested in geriatrics within the system.



Track **outcomes**.  
Plan vs. Budget Target.  
**Key Learning's.**



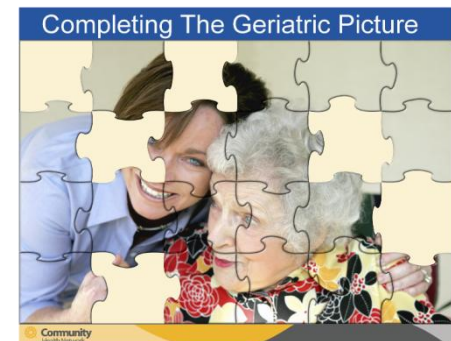
Communicate the disruptive innovation into **healthcare business speak** – quality, safety, experience, ROI.

# The rest of the story

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## □ Outcome -- **Touchpoint**

- Program: ...Innovative services for consumers 55 years and older through an integrated continuum of care ... The desired product is (a) building a reputation of quality and safety; (b) retention of consumers throughout their lives; (c) revenue generation and revenue maintenance.
- Four FTE's including geriatrician
- Primary care physician training
- Research collaboration and grant
- Social networking; traditional and on-line services
- Continuum of Care; Systemness; Palliative Care and Home Care links
- System-level financial formula; downstream revenues; cost-reduction formula



# INNOVATION ISSUES

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- Consistency
- Finance driven culture – Healthcare is a business
- Accepting and embracing risk
- Cultural competency and change requirements
- Not everyone thinks or acts like an innovator ... or should they!

***What's courage failure of planning, that's all.***

David Hare (*Mother Courage and her Children*, 1995)