

BECKER'S

HOSPITAL REVIEW

The Pain Points of Innovation

By Akanksha Jayanthi

Innovation is the name of the game, and everyone wants to play.

The rise of healthcare innovation centers responds to a growing need and desire to address some of the industry's biggest problem areas, but innovation itself is burdened with its own pain points.

In 2013, 85 percent of healthcare executives said innovation is either quite important or very important to the success of their organizations, but only 18 percent considered themselves "innovation pioneers," according to PricewaterhouseCooper's 2013 Global Innovation Survey. Still, approximately 70 health systems have launched their own innovation centers since 2009 when the ACA was signed into law.

Here, leaders of innovation centers across the U.S. share some of the continued pain points of innovation: After making the decision to dedicate

time and resources to the cause, what continues to cause problems?

Doing too much, too soon

The vision and ideals of innovation are grand. After all, researchers, entrepreneurs and innovators are tasked with changing an industry worth nearly \$2.9 trillion. It's a big industry with big issues, but often, organizations approach innovation with eyes bigger than their stomach can handle.

"Many organizations, when they're either getting into innovation or they made this a part of their mission statement, they actually try to solve world hunger with it," says Chris McCarthy, director of Kaiser Permanente's Innovation Learning Network and an innovation specialist with Kaiser's Innovation Consultancy. "Although that probably is a really great challenge for innovation, most of us don't have the muscle to do that yet. Eventually you could tackle

world hunger, but you should try growing a tree first."

Not only do organizations try to do too much, but they often mix up the steps of the innovation process. The process, according to Mr. McCarthy, begins with a deep understanding of a problem. "In healthcare, we tend to jump the gun and think we know what the problem is or what the real needs are without really giving justice to the [discovery] phase of innovation," he says. Brainstorming and ideation — the creative part of innovation — come second.

Jean Wright, MD, vice president of innovation at Charlotte, N.C.-based Carolinas HealthCare System, agrees with Mr. McCarthy and says innovation is a process of multiple discoveries, not a single light bulb moment. The core of a problem needs to be understood before meaningful innovation can occur. "It's not just brainstorming. It's not just, 'I have a great idea,'" she says.

“We start with the problem before we jump ahead to solving the problem.”

Carolinas conducts ethnographies to help uncover these deeper problems that require attention and reveal issues that aren't apparent in the day-to-day processes. Leaders watch a group of clinicians, staff and patients interact to observe workflow and identify potential trouble areas for themselves.

Recently, the system conducted an ethnography in the emergency room and discovered the first thing people did upon checking in was look for an outlet to plug in their phone. Dr. Wright says it became apparent that patients wanted to communicate with their families and provide updates right off the bat, so Carolinas implemented charging stations in the waiting rooms.

A small change, to be sure: Device charging stations won't change the trajectory of healthcare, but it's a small alteration that met a prevalent need in the Carolinas community.

A fragmented effort

Innovation is a job that requires an all-in approach with support up and down the leadership vertical. A lack of leadership support or a disjointed support system can stifle ideas.

“Innovation cannot be a hobby. It's got to be a religion, part of what you do,” says Stephen Klasko, MD, president and CEO of Philadelphia-based Jefferson Health and president of Thomas Jefferson University. “If you're not going to be all in, don't get into it.”

In January, Jefferson opened the Jefferson Accelerator Zone, or JAZ, as a dedicated innovation hub affiliated with the university. Although it is affiliated, the JAZ is structured to stand entirely alone with its own board, lawyers and administration. “If everything in Philly got separated and there was an earthquake and the only thing left was JAZ, [it would be] self-sufficient,” Dr. Klasko says.

The JAZ is one of a few innovation centers that features its own executive leadership and administration. Others include organizations like Cleveland Clinic Innovations and Pittsburgh-based UPMC Enterprises. While not every hospital or health system can create a standalone innovation arm, having dedicated leadership solely focused on innovation efforts, like Dr. Wright, is an important step.

The HIMSS State of Healthcare Innovation 2014 survey found just 10 percent of organizations with revenue up to \$250 million had chief innovation officers. Comparatively, 64 percent of

provider organizations with revenue exceeding \$5 billion had someone in that role.

Carolinas falls in this latter group of health systems. (It reported \$8.7 billion in net revenue for the year ended Dec. 31, 2014). The system institutionalized its commitment to innovation by creating Dr. Wright's position in 2012. Dr. Wright says individuals in such roles are critical to innovation efforts because their entire life's work is focused on bringing about this change.

“It's our day job to make this work,” Dr. Wright says. “If [innovation] isn't your day job, you can't help but go back [to your day job]. If you're a nurse manager on a particular floor, you go back to keeping heads in beds and keeping staff. As much as you like innovation, you can't find the time to do it.”

Fear of failure

To succeed, organizations first have to fail, but healthcare is a highly regulated, protocol-driven industry where failure is generally a negative outcome. That being said, pain and failure in innovation shouldn't be avoided; rather, Mr. McCarthy says failure is integral to the innovative process and should be discussed, embraced and leveraged into innovation efforts.

“The word ‘failure’ is really

important to build into the lexicon of innovation,” Mr. McCarthy says. “I think the people who are [afraid of] using [the word ‘failure’] are forgetting it’s tied to success. If we don’t use those two words together, then we are creating a false sense of what failure is about.”

To Mr. McCarthy, allowing failure — that does not affect or harm patients, of course — clears the path to take the appropriate risks that innovation requires. He says the earlier someone fails, the earlier someone can succeed in innovation. “We fail a lot very early and very cheaply and we keep pivoting, pivoting, pivoting and learning and pivoting until we come up with a solution that fits our environment,” Mr. McCarthy says.

Dr. Wright says people are often put off by failure in healthcare, an environment that typically rewards people for success. So, Carolinas awards individuals for “smart failure” as a means to encourage innovation and the inevitable failure that accompanies it. The award recognizes those who failed but then learned from their mistakes.

A few years ago, Carolinas’ pharmacy department won the award for trying a new process around medication distribution. “Their original plan did not deliver upon its expectations. But they learned from that,

recovered, rebuilt and moved on,” she says.

Only looking inward

Healthcare certainly isn’t the only industry going through a constant innovation evolution. And lessons learned elsewhere can be largely applicable in this space.

A 2013 Harvard Business Review article said a common source of this “blindness” to outside industries is that leaders tend to believe their industry’s challenges are unique. According to the article, this belief is more common in healthcare than in other industries, so healthcare leaders may resist learning from the example of non-healthcare organizations.

Dr. Wright agrees with this analysis. She too finds healthcare to be a rather tight vertical with minimal crossover, which isolates leaders from some of the best thinking.

For example, Dr. Wright finds many parallels between issues facing Carolinas faces and the local energy provider, which is also a highly regulated industry.

“When their chief innovation officer talks, you would think we are talking about the same thing,” Dr. Wright says. “They’re trying to deliver something in a highly regulated environment, and so are we. They have to touch thousands of customers a

day, and we touch thousands of patients a day.”

Dr. Wright says many individuals and organizations aren’t used to crossing industry boundaries, and so they are unaware of the “rich resource” these counterparts provide.

Mr. McCarthy agrees, saying one of healthcare’s biggest innovation setbacks is only working and looking internally.

“One of the most important [elements] of the innovation function is to look outside of the organization, outside of the industry to places you would never imagine looking normally,” he says. “[Innovation] is both an inward and outward function.”

Final thoughts

Innovation in healthcare is slowly becoming the norm, as evidenced by the PricewaterhouseCoopers survey findings demonstrating the vast majority of healthcare leaders view innovation as critical to their organization’s success.

Players just entering the innovation game can take a page from the early movers and shakers and learn from their mistakes. Instead of reinventing the wheel of innovation, the industry is better off building upon the best practices and models of those who came before. ■