

# Innovation In The Private Sector

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Population Health Management Colloquium



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# The tipping point... are we there yet?

- ◆ CMMI Innovation Challenge
- ◆ 19,000 Letters of Intent (est)
- ◆ 10,000 Applications (est)

**with ...**

Requirement to demonstrate impact on population, savings, mechanisms of savings, and ability to deliver initial savings within 6 months



Innovation everywhere....  
(Philadelphia is a baseball town)



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# Using innovation types strategically

Finance		Process		Offering			Delivery		
Business model	Networking	Enabling process	Core process	Product performance	Product system	Service	Channel	Brand	Customer experience

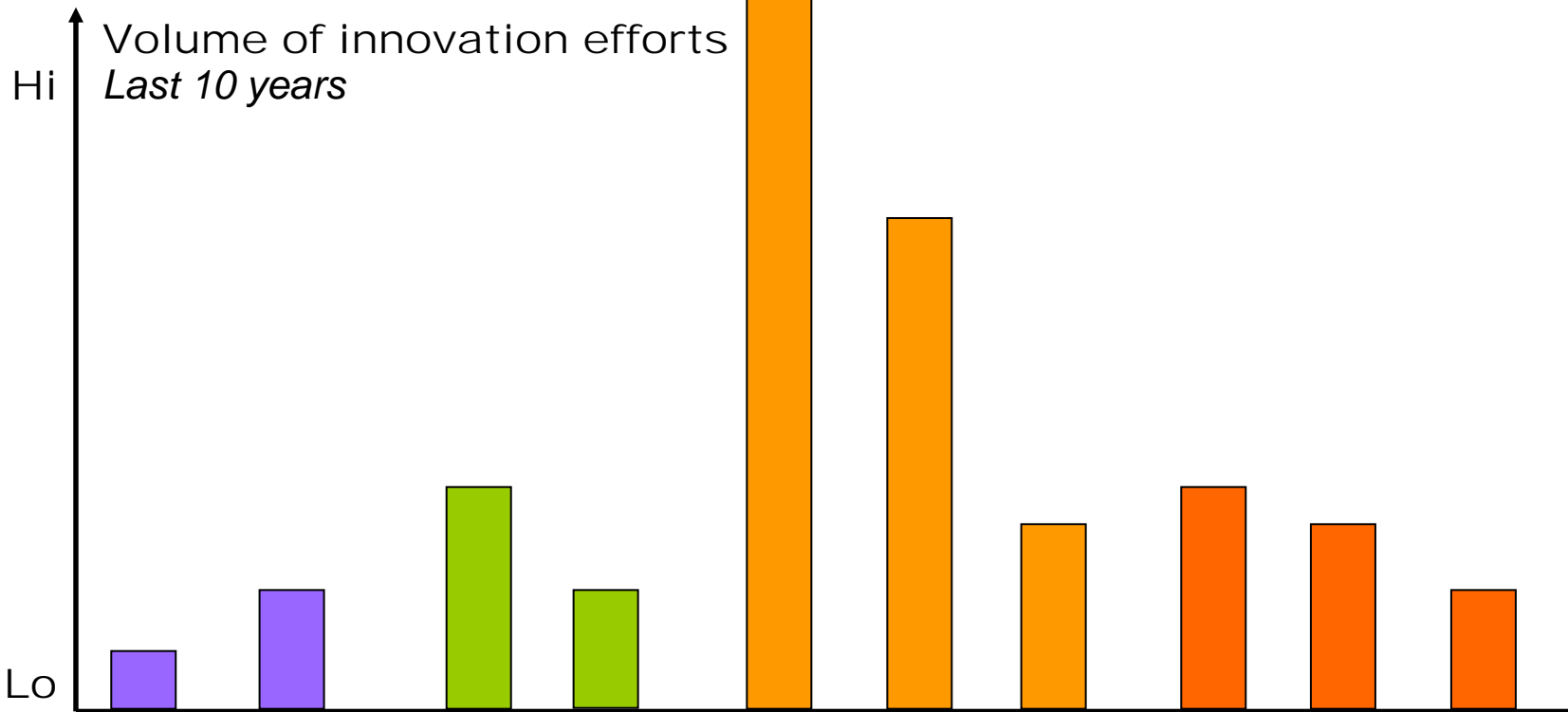
## Core competence planning:



## Innovation planning:



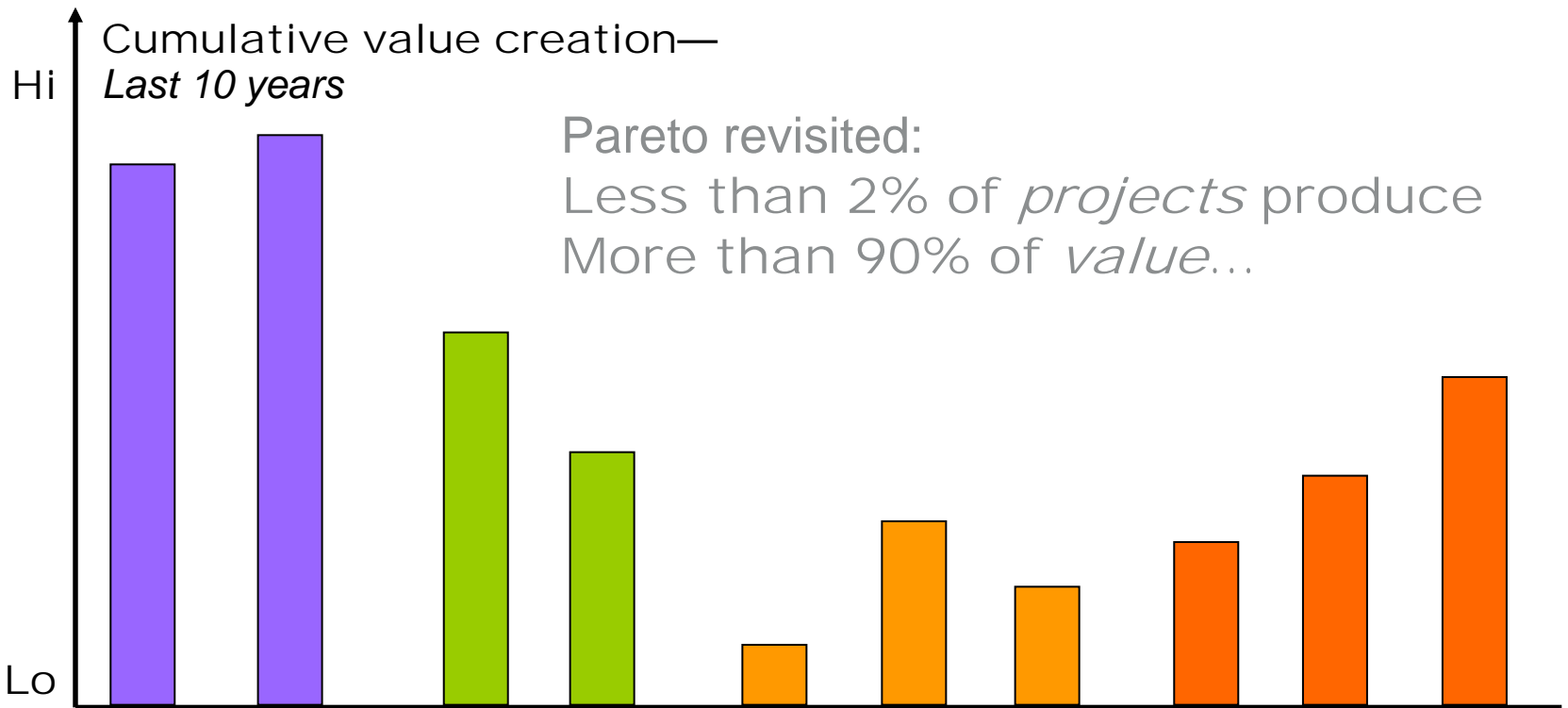
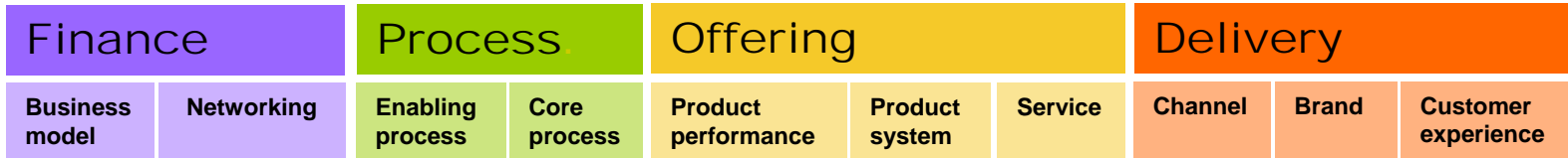
# Leading to a shift in value creation...



Source: Doblin analysis

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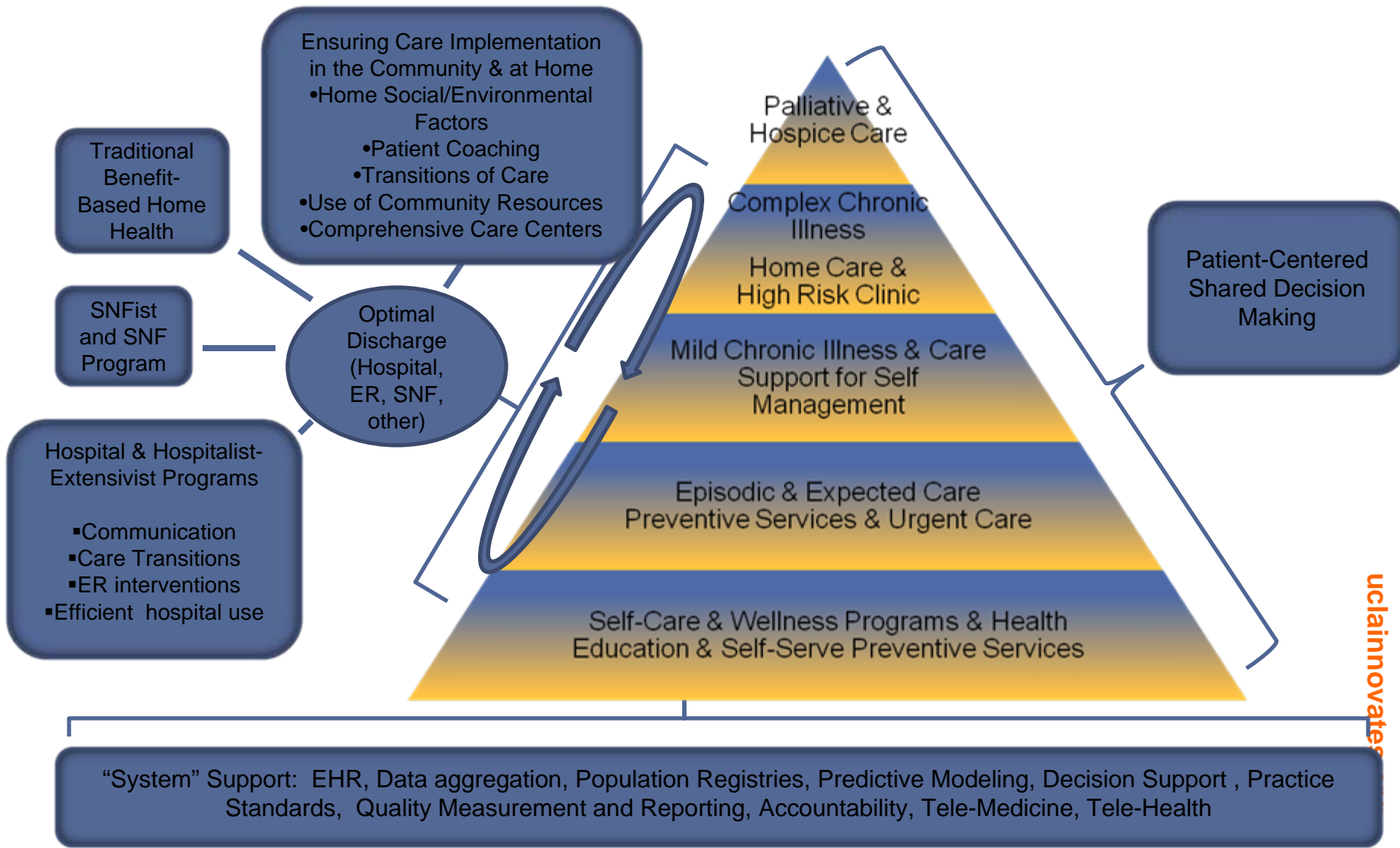
# Leading to a shift in value creation...



Source: Doblin analysis

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# Population Health Management – UCLA's Approach



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# Realignment of Partnerships

- ◆ Context = varying degrees of assumption of risk
- ◆ Models proliferating – go far beyond the federal ACO models
  - CMMI Innovation Challenge Fund
  - ACO Pioneer
- ◆ Massachusetts BCBS Alternative Quality Contracts
  - Private-Payer Innovation In Massachusetts: The ‘Alternative Quality Contract’ Michael E. Chernew, Robert E. Mechanic, Bruce E. Landon, and Dana Gelb Safran *Health Aff January 2011 30:51-61*; *doi:10.1377/hlthaff.2010.0980*
  - Multi-year contract, first year largely no financial risk = partnership
- ◆ Larger group of private payors: “health plan in a box”
  - Aetna – Accountable Care Solutions: Medicare Advantage, health system employees, offer to mid- and small-employer market
  - Evolent – partnership of HCAB with Univ of Pittsburgh



# Disruptive, cheap entrants:

## 1. Replacing clinical visits



### Your Health at Your Convenience

Don't wait to get answers to your medical questions. Receive healthcare on your terms. Wherever and whenever. It's up to you.

# !! Disruption !!

with a doctor? Take the doctor with you and get answers to your medical questions when you need them.

Ringadoc is the only service that **directly connects** you to a doctor when you call. There are no live operators, call backs, or call centers. You receive healthcare **as soon as you call**.

Talk to a doctor now for only **\$39 with no registration fee, no monthly rate, and no hidden charges** - you only pay when you speak with one of our doctors.

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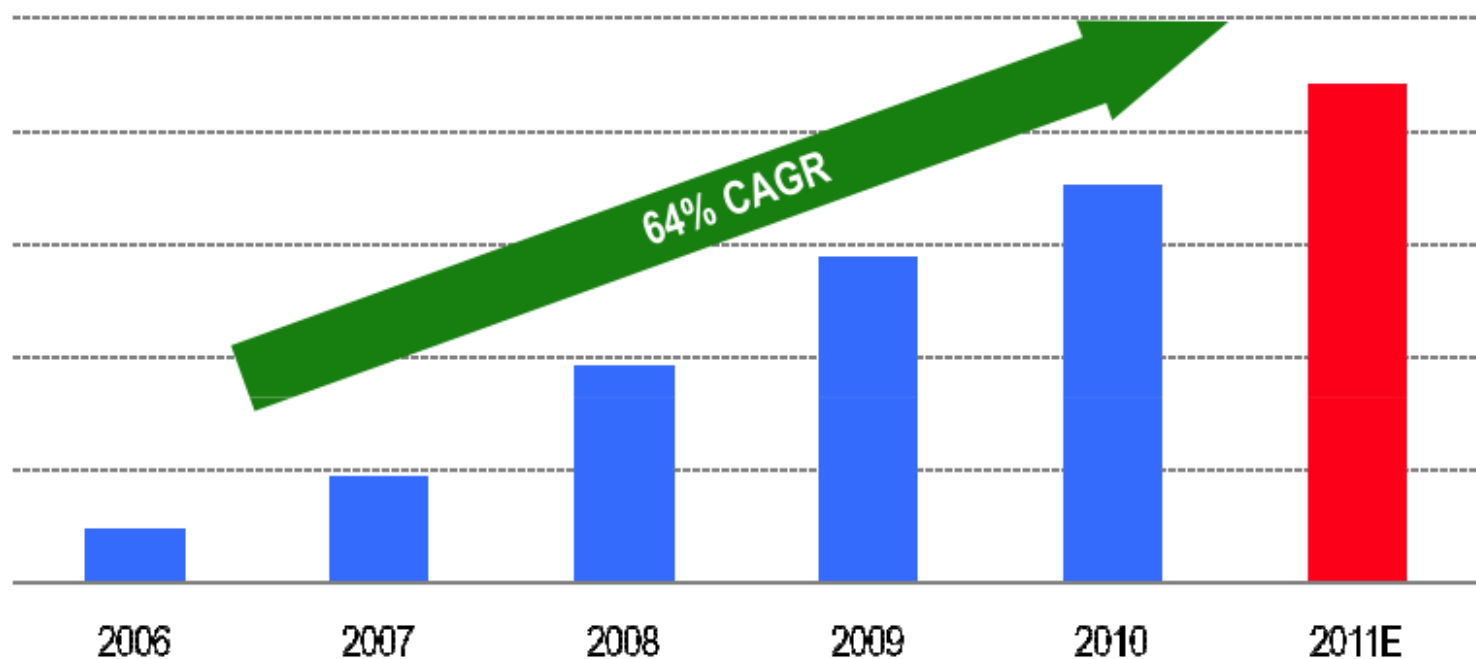


## SFGate

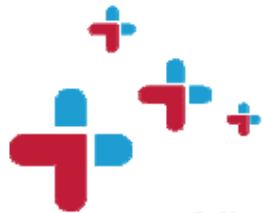
home of the  
**San Francisco Chronicle**



# Robust Growth of Visits at MinuteClinic



**Major Growth in Patient Volume: Break-Even In 2011**



# Accreditations and Guidelines

- MinuteClinic adheres to national standards of practice, as established by:
  - American Academy of Pediatrics Red Book
  - American Academy of Family Physicians
  - Institute for Clinical Systems Improvement regional guidelines
- MinuteClinic also adheres to:
  - AMA Desired Attributes for Retail Health Clinics
  - NCQA Guidelines for Credentialing
- National Patient Safety Foundation: Ask Me 3
- University Hospital Consortium PSO
  - Reporting
  - Benchmarking



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**MinuteClinic is the first and largest retail health care provider to be accredited and reaccredited by the Joint Commission.**

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# Comparing Costs and Quality of Care at Retail Clinics With That of Other Medical Settings for 3 Common Illnesses

Ateev Mehrotra, MD; Hangsheng Liu, PhD; John L. Adams, PhD; Margaret C. Wang, PhD; Judith R. Lave, PhD; N. Marcus Thygeson, MD; Leif I. Solberg, MD; and Elizabeth A. McGlynn, PhD

**Background:** Retail clinics are an increasingly popular source for medical care. Concerns have been raised about the effect of these clinics on the cost, quality, and delivery of preventive care.

**Objective:** To compare the care received at retail clinics for 3 acute conditions with that received at other care settings.

**Design:** Claims data from 2005 and 2006 from the health plan were aggregated into care episodes (units that included initial and follow-up visits, pharmaceuticals, and ancillary tests). After 2100 episodes (700 each) were identified in which otitis media, pharyngitis, and urinary tract infection (UTI) were treated first in retail clinics, these episodes were matched with other episodes in which these illnesses were treated first in physician offices, urgent care centers, or emergency departments.

**Setting:** Enrollees of a large Minnesota health plan.

**Patients:** Enrollees who received care for otitis media, pharyngitis, or UTI.

**Measurements:** Costs per episode, performance on 14 quality indicators, and receipt of 7 preventive care services at the initial appointment or subsequent 3 months.

**Results:** Overall costs of care for episodes initiated at retail clinics were substantially lower than those of matched episodes initiated at physician offices, urgent care centers, and emergency departments (\$110 vs. \$166, \$156, and \$570, respectively;  $P < 0.001$  for each comparison). Prescription costs were similar in retail clinics, physician offices, and urgent care centers (\$21, \$21, and \$22), as were aggregate quality scores (63.6%, 61.0%, and 62.6%) and patient's receipt of preventive care (14.5%, 14.2%, and 13.7%) ( $P > 0.05$  vs. retail clinics). In emergency departments, average prescription costs were higher and aggregate quality scores were significantly lower than in other settings.

**Limitations:** A limited number of quality measures and preventive care services were studied. Despite matching, patients at different care sites might differ in their severity of illness.

**Conclusion:** Retail clinics provide less costly treatment than physician offices or urgent care centers for 3 common illnesses, with no apparent adverse effect on quality of care or delivery of preventive care.

**Primary Funding Source:** California HealthCare Foundation.

*Ann Intern Med.* 2009;151:321-328.

For author affiliations, see end of text.

[www.annals.org](http://www.annals.org)



# Disruptive, cheap entrants: 2. new ways to change behavior

The screenshot shows the homepage of 'The Power of Play' website. At the top left is the logo 'The Power of Play keas' with a green heart icon. To the right is a navigation bar with links: 'POWER OF KEAS', 'PLAY KEAS NOW', 'START MY COMPANY ON KEAS', and 'LOGIN'. A central video player shows a man smiling. Below the video is the main headline: 'experience the power of play', where 'power' is in blue and 'play' is in multi-colored letters. Underneath 'power' is the text 'see why Play works' with a small green heart icon. Underneath 'play' is 'Play Keas now' with a larger green heart icon. Below the headline is the tagline 'The Power of Play. The Miracle of Engagement.' At the bottom, there are three sections: 'KEAS WORKING' with a photo of a man at a computer; 'PLAYER FEED' with a post from Joanne Lin; and 'COMPANIES PLAYING NOW' with logos for 'INVESTORS SAVINGS BANK Solix' and 'Quest Diagnostics'.

The Power of Play keas

POWER OF KEAS PLAY KEAS NOW START MY COMPANY ON KEAS LOGIN

experience the power of play

see why Play works

Play Keas now

The Power of Play. The Miracle of Engagement.

KEAS WORKING

PLAYER FEED

COMPANIES PLAYING NOW

INVESTORS SAVINGS BANK Solix

Quest Diagnostics

# Healthy innovation. Exceptional engagement.

RedBrick Health is different. We combine deep personalization, powerful social tools and a unique approach to rewarding healthy behaviors. We blend high tech and high touch. The result for employers? Higher engagement and faster ROI. See [how it works for our clients](#).



## RedBrick Health News

### Welch Allyn Creates More Than \$1.3M in Savings with RedBrick Health

With RedBrick, Welch Allyn has experienced increasing program engagement rates from 62 to 69%, substantial decreases in unhealthy behaviors, and a 3:1 ROI. Download the [case study](#).



## RedBrick Health News

### Financial Impact of RedBrick Health

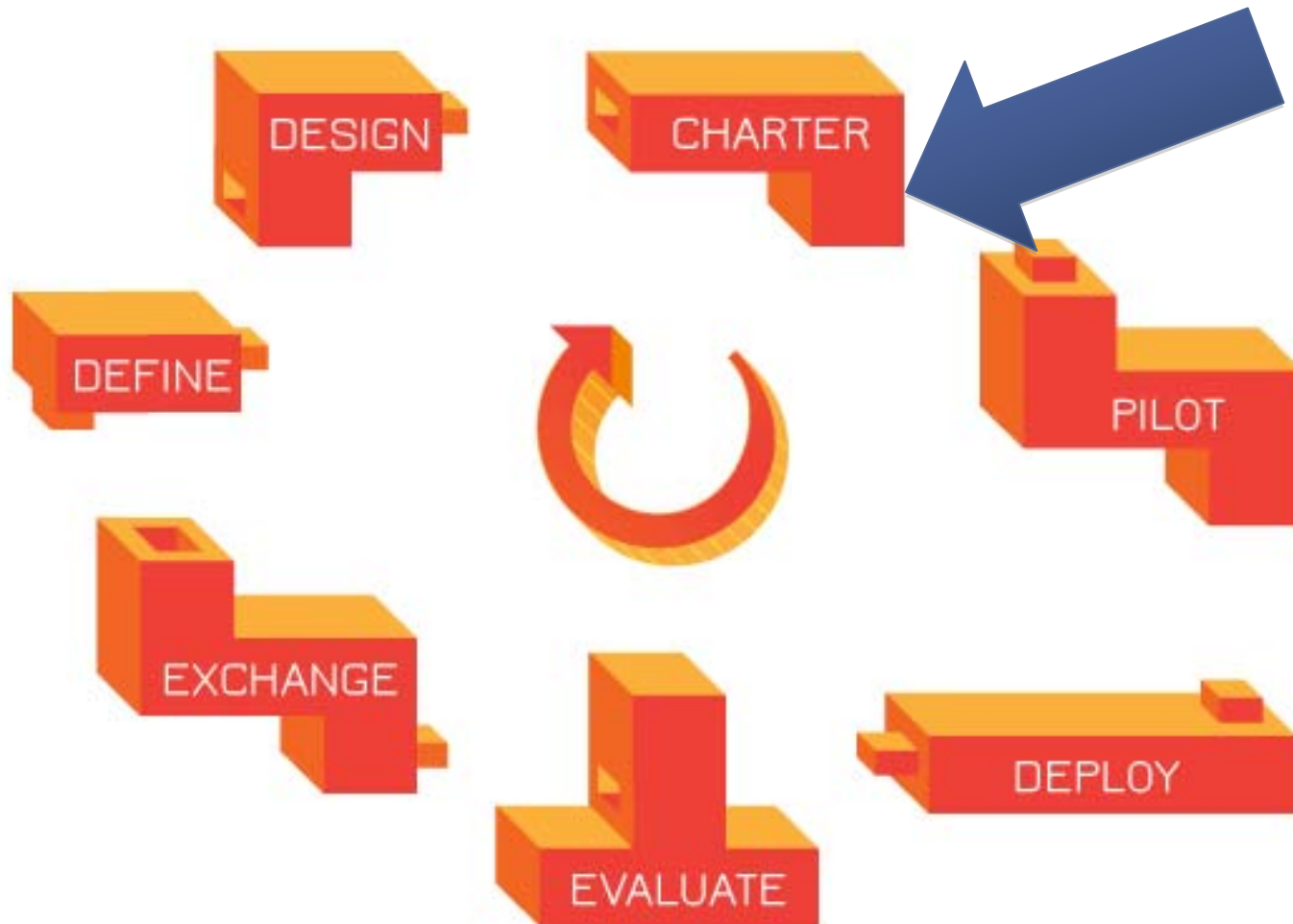
Earliest employer clients earned nearly a 3:1 ROI after just two years using RedBrick's health engagement platform. Download the full [white paper](#).

the good news ...  
the greatest leverage is  
exactly where this action is..





# Innovating Inside A Delivery System: The UCLA Innovation Life Cycle





# Who will lead the way?

*AHRQ Annual Meeting - September 2011*

## 1. What do you think innovation should mean?

- a. inventing a new technology or service
- b. using a new technology or service to achieve broad impact on health quality and cost
- c. having fun by ignoring all the existing constraints and imagining new solutions

## 2. Which of these innovations has been around for at least a decade, has a major impact on quality and cost, and has not yet achieved significant penetration of the healthcare market?

- a. telemedicine as a tool for delivering expert consultation
- b. the tele-ICU - remote management of intensive care units
- c. patient self-management of chronic conditions
- d. all of the above

# Who will lead the way?

*AHRQ Annual Meeting - September 2011*

**3. Healthcare providers are often fragmented and disorganized, and have proven themselves incompetent in assessing and adopting many innovations that can significantly decrease cost and improve outcomes. Will health reform and greater alignment of incentives with quality and cost improvements speed the adoption of innovations over the next decade.**

- a. yes, although the process will be slow
- b. you're living in a wonk fantasy-land
- c. no, health plans will have to play a major role in driving adoption of key innovations



# Institute for Innovation in Health

The **Institute for Innovation in Health** at UCLA leads in the design and dissemination of sweeping advances in healthcare delivery, and creates a new role for academic health systems in rapid-cycle innovation and evaluation.

We welcome collaboration with innovators across the UCLA Health System, the UCLA campus, and beyond!

Visit our website: [uclainnovates.org](http://uclainnovates.org)


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Source: Goals established by the Office of the Vice Chancellor for UCLA Health Sciences



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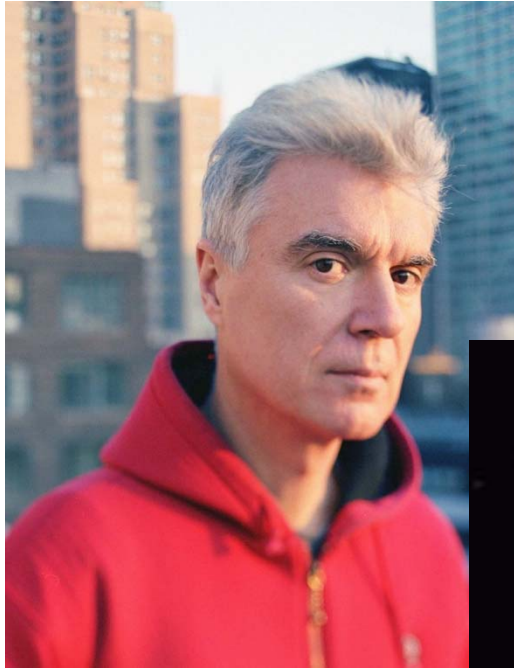
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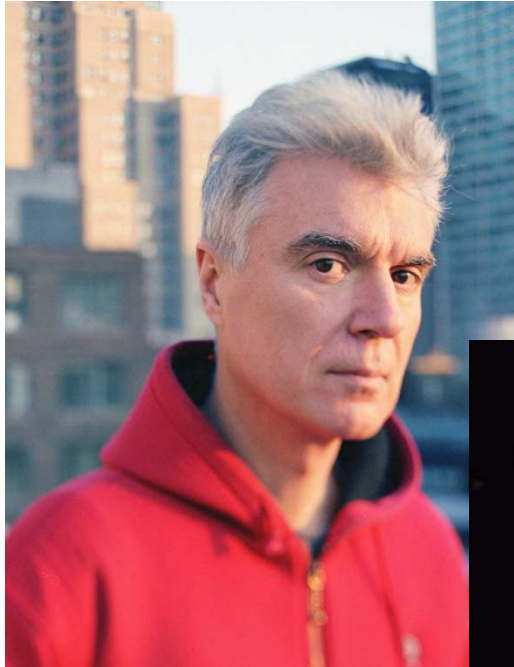
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# We Can Make Good Care Far Less Expensive – Relatively Quickly

- The most pressing task of health care leaders is to make care effective and affordable, and particularly so in the case of chronic disease.
- A series of technologies, including in-home monitoring and communications and medication optimization, have been demonstrated to reduce the use of hospitals and skilled nursing facilities by substituting patient self-management and support from lower levels of clinical and nonclinical providers. Large scale deployment has lowered the net cost of care by more than 20%.
- Most technology vendors have finally concluded that “*It’s not the technology, stupid*” – or at least only partly so.
- The real challenge is to deliver a service.







Facts all come with points of view  
Facts don't do what I want them to

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# The Context

- ♦ Long term goals of the Institute for Innovation in Health =

*Distinguish UCLA Health System as a leader in innovation by the accelerated pace and effectiveness of our transformation to a system offering radically improved value, service and clinical quality.*

- ♦ How will we know whether our innovations are in fact achieving the acceleration and effectiveness we aim for? We need rapid cycle, concurrent research.
- ♦ Yet in Academic Medical Centers, silos abound – and health services researchers historically have not worked closely with the leaders on the care delivery side of our institutions.
- ♦ The focus by NIH on Type 2 Translational Research (Bedside to Community), coupled with implementation of the Accountable Care Act and the establishment of the Patient-Centered Outcomes Research Institute (PCORI), finally provide both academic and financial incentives to break down these silos.





# An Innovation: A Blueprint for a Collaborative Structure in AMCs

- ◆ Pre-identified team, experienced in working together, who have a small amount of core support so that they can be mobilized in a one month time frame or less when the opportunity to evaluate new innovations come up.
- ◆ The ability to bring in project-specific expertise on short notice.
- ◆ Use a project planning template to guide the development of detailed plans for a collaborative implementation and evaluation of the innovation – group includes:
  - the innovation operational leaders (and key clients)
  - the clinical/management team
  - technical assistance/research team



PatientsLikeMe R&D Director Paul Wicks, presenting at TEDx Berkshires, walks through the medical decision process faced by patients and clinicians trying to manage their illness in a world lacking in data.

<http://www.youtube.com/watch?v=adwHhBRghzM>

**FACTS** are uncomfortable because they imply  
the need for different actions.

**Facts**

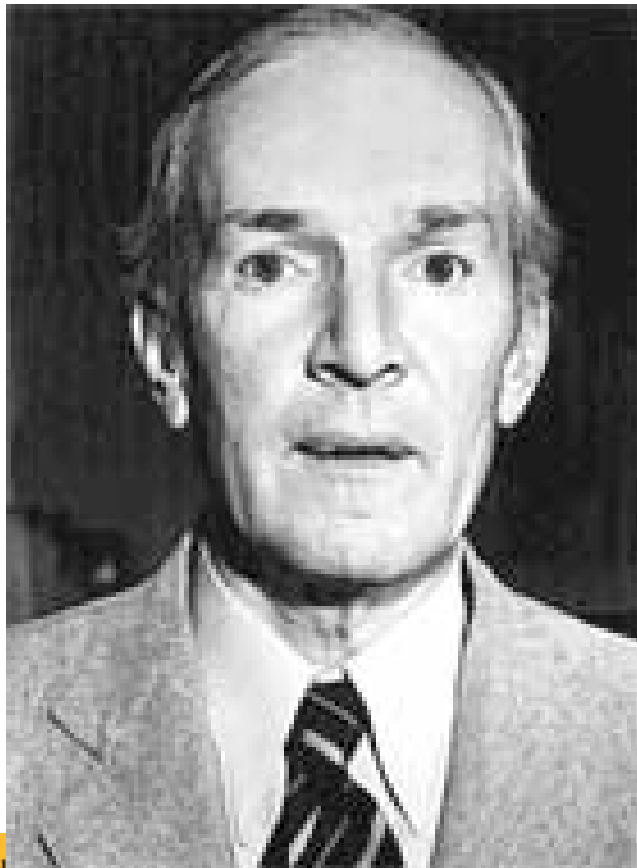
**Information**

**Know**

**Individual, or collective.**

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# The breaking of rice bowls..



"It's difficult to get a man to understand something if his salary depends upon his not understanding it."



Institute for Innovation in Health

# new technologies...



new technologies

that support engagement

mechanical engineering: **active or operational state:** an act or condition of being activated or becoming operational

and who pays  
for research..

The \$3 million dollar prize is  
approximately double that of the Nobel  
Prize in Medicine.

## \$3 Million Prize Offered to Solve Hospital Admissions Puzzle

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Cheryl Clark, for HealthLeaders Media, December 30, 2010



Attention, wizards, rocket scientists, game theorists and stats nerds: There's a physician in Los Angeles who wants to *give* you \$3 million.

All you have to do is design an elegant math model that accurately identifies which of 100,000 patients from an actual 2009 database required an unplanned hospital

admission in 2010.

The **Merkin prize** is offered by Richard Merkin, MD, Heritage Provider Network CEO and President. Heritage is an accountable care organization-like physician network that absorbs risk for 700,000 lives in Southern and Central California and New York and which contracts with more than 100 hospitals.

The idea is to design a suitable **predictive model**, so programs and resources can be focused to prevent those admissions – and **readmissions** – and potentially realize savings of up to \$30 billion, the estimated cost of **unnecessary hospitalizations** throughout the

redict who was going to be hospitalized, we could put [face] to prevent that and then we could reallocate a lot of [what's spent on care] into finding cures," Merkin says.

The \$3 million dollar prize is approximately double that of the Nobel Prize in Medicine.



# new technologies...





# introduce new tools



UCLA Wireless Health Community





Original OnStar service was a concierge service --

Which morphed to a direction service --

Which became a remote management service for care maintenance, with monitoring and alerts.



Original OnStar service was a concierge service --  
 Which morphed to a direction service --  
 Which became a remote management service for care maintenance, with monitoring and alerts.



## Ford and Healthcare Experts Research SYNC Health and Wellness Connectivity Services Helping Manage Chronic Illness On the Go

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70% of consumers interested in mobile health solutions

Medical apps third fastest growing category of smartphone apps

Apple App Store houses upward of 17,000 health apps – 60% aimed at consumers rather than professionals



*Ford is researching ways for drivers to manage their health in the car, including voice-activating wellness smartphone apps such as Allergy Alert through the SYNC connectivity system.*