

Conference Report: The Future of Health Care Innovation

October 16, 2013

By: Amy Ellis, Laura Littman, and Eden Rolland

Keynote Address

Glenn Steele, President & Chief Executive Officer, Geisinger Health System.

Dr. Steele is CEO of Geisinger Health System, an integrated health services organization that serves patients in central and northeastern Pennsylvania. With his breadth of experience in both academic medicine and business, Dr. Steele provides a unique perspective on health care industry issues.

Dr. Steele focused his remarks on how Geisinger Health Systems pursues “value re-engineering” in its approach to health care delivery. Using the “hub-and-spoke” model, Geisinger taps into two health care markets—the provider market and the insurance market—and connects them under one business model roof. Dr. Steele said that this creates a unique and effective fiduciary structure that makes Geisinger both a provider and an insurer. Several “on the ground” factors inform Geisinger’s approach to its delivery of health care services: geography (Geisinger is located in 49 counties in Pennsylvania and is the major systems provider in its part of the state); patient demographics (a relatively stable population that is predominantly elderly, high acuity, and low-income); and its diverse mix of providers (including hospitals, specialty clinics, community clinics, and small businesses). Other factors, including Geisinger’s size, location, employment philosophy, and use of electronic medical records, has allowed it to strategically navigate into the “sweet spot” of being a provider and an insurer.

Additionally, Dr. Steele discussed where we are now and where we want to be in health care. On a national level, he highlighted current struggles with unjustified variation in health care quality, access, and cost; fragmented care-giving; and failures to utilize best practices. He envisions a future of affordable care for all, payment for value, coordinated care, and continuous innovation. At Geisinger, he highlighted current efforts to appropriately consolidate providers, expand the provider-payer integration model, and re-inject savings into the value stream. He closed by stating that Geisinger’s goals are to gain greater flexibility in its IT systems, leverage data in the area of personalized medicine and genetics, encourage “activated” patients, and use behavior change analytics.

Panel 1: Leveraging Electronic Health Records and Data Analytics to Improve Health Care Quality Outcomes

Panel: Peter Hudson, Co-Founder and Chief Executive Officer, iTriage; Donna Lynne, Executive Vice President, Kaiser Foundation Health Plan, Inc., and President, Kaiser Foundation Health Plan of Colorado; Ed Park, Executive Vice President and Chief Operating Officer, athenahealth. Moderator: Phil Weiser, Dean, University of Colorado Law School, and Executive Director, Silicon Flatirons Center.

The panel of health care administrators, entrepreneurs, and IT specialists reflected on the possibilities and challenges associated with electronic health records and data analytics for improving health care quality.

Pros and cons of electronic medical records: The panelists opened with a discussion of the possibilities and problems with electronic medical record (EMR) systems. Mr. Park reflected on the capacity of data surveillance to inform providers and consumers on health care risks at a population level and to improve evidenced-based medicine. However, EMRs are proving

difficult for doctors to use. Dr. Lynne remarked how Kaiser's implementation of EMR systems has enabled improved physician performance and high quality rankings; intensive EMR training was a critical step in the process. Dr. Hudson agreed that EMRs are difficult for doctors to use, but his iTriage application is designed to help patient work-flows. The Panelists generally agreed that great improvements have resulted from using EMRs; however, they acknowledged continuing difficulties with "legacy systems" and the need for interoperability.

Impact on consumers: Dr. Hudson's iTriage is a prime example of how access to health care data impacts consumers. With 10 million downloads a year, the focus is on consumer convenience. Dr. Lynne cautioned that convenience does not necessarily equate to quality and emphasized the need for physician follow-up. Mr. Park reflected that, while we are in the early days of consumer empowerment, consumers must take responsibility for their health. Dr. Hudson also remarked how, contrary to his expectations that young and healthy people are most likely to use technology, 25 percent of iTriage users are over the age of 55 and a large proportion of his customers use iTriage to manage chronic conditions.

Personalized health information and privacy: Dean Weiser began by commenting that, until recently, there was no federal regulation or oversight of personal health information (PHI). Then he asked, "How do advances in EMR and data technology implicate privacy policies?" Mr. Park said that any company that wants a share in the market must take privacy seriously and that responsible institutions will self-police. Dr. Hudson stated that the "gray areas" of privacy issues should be addressed without stifling innovation. Responding to concerns of putting PHI in "the cloud," Mr. Park said that it is already happening, and he said that fears about putting PHI in "the cloud" is a smoke screen for avoiding bigger questions about privacy policies.

Incentives for using data analytics in health care settings: Although we are still in the early stages of "big data" in health care, data analytics poses incredible potential for real-time diagnosis and treatment. Dr. Lynne described how, at Kaiser, there is a notable improvement in the quality of the outcomes reported by doctors who use EMRs and other data-tracking technology compared to the outcomes reported by doctors who do not use such technologies. While physicians are traditionally slow to adopt changes to the practice of medicine, Dr. Hudson remarked that developing standardized approaches to highly repetitive diagnostic tasks is critical. Data analytics will allow patients to track health outcomes, which will cause a demand shift for higher quality. Mr. Park agreed that a "top-down" protocol is the wrong approach, and he said that consumers ought to drive the incentives for higher-quality care. The panelists noted that developing and implementing effective data analytics in health care settings will require an agile process where industry participants watch, learn, and iterate very quickly in small increments.

Panel II: Emerging Models of Integrated Care Delivery and Payment Mechanisms

Panel: Steve ErkenBrack, President and Chief Executive Officer, Rocky Mountain Health Plans; Bruce Johnson, Partner, Polsinelli; Scott Lichtenberger, Chief Strategy Officer, University of Colorado Hospital; and Kathryn Reilly, Partner, Husch Blackwell. Moderator: Dayna Matthew, Professor of Law University of Colorado.

The panel of experts on systems-level health care delivery reflected on the tension that results through moving from fee-for-service, individualized models to integrated care.

Benefits and downsides of integrated care: While the panelists recognized that integrated care models can reduce a fragmented health care delivery system and increase patient access and experience, the panelists also agreed that barriers still stand in the way. Ms. Reilly pointed out that some laws conflict. For example, while the Patient Protection and Affordable Care Act

incentivizes accountable care organizations, such broad integration triggers antitrust laws. Further, both Mr. Johnson and Dr. Lichtenberger pointed out that physicians are hesitant to embrace the model for fear of becoming outliers or threatening their financial stability. Mr. ErkenBrack said that patients have received Rocky Mountain Health Plan’s integrated care model well, particularly those who do not have the time or resources to make multiple visits to their doctor.

Breaking down barriers: Ms. Reilly proposed speeding up adoption of integrated care models through implementing effective financial incentives for providers. Along these same lines, Mr. ErkenBrack asserted that accomplishing integration means moving away from a fee-for-service model, which encourages health care delivery silos, and embracing mental and behavioral health as key components to basic health care. In regard to legal and regulatory barriers, Mr. Johnson suggested that, through concerted advocacy, the legislature can be called upon to make necessary changes.

Role of technology: Ms. Reilly shared good news for integration; data sharing technology and other tools, such as telemedicine, eases the transition to this new model. However, Mr. Johnson observed that utilizing these tools comes with their own set of troubles—for example, how might a doctor licensed in Colorado treat a patient who is calling from Kentucky?

Next steps for Colorado: Ms. Reilly saw moving away from a fee-for-service health care delivery model as paramount for Colorado embracing integrated care. Dr. Lichtenberger does not think that the small shifts already underway in the market are big enough, and he identified the need for widespread integration. Additionally, Mr. Johnson saw payment systems as the logical next step; he said that because payment models drive change, it is up to the payers to spark movement in this direction. Mr. ErkenBrack called for recognition that rising health care costs must be reined in—a system that welcomes 10,000 people per day into Medicare cannot be sustained without integration.

Panel III: Disruptive Innovation in Health Care

Panelists: Larry Gold, Chairman and Chief Executive Officer, SomaLogic; Oliver Kharraz, M.D., Founder and Chief Operating Officer, ZocDoc; Bob Kocher, Partner, Venrock; Thomas Lee, Founder and Chief Executive Officer, One Medical Group. *Moderator:* Brad Bernthal, Associate Professor of Law, University of Colorado, and Entrepreneurship Initiative Director, Silicon Flatirons Center.

The panel of health care entrepreneurs explored how the concept of “disruptive innovation,” which displaces existing market structures, can work to improve value in the health care system.

Receptiveness of health care to innovation: Mr. Kocher began by pointing out that the health care system is traditionally slow to change, though changes are being implemented more quickly today. Dr. Kharraz said that the reason for slow change is that there are “too many smart people in health care” who can list reasons why a new model or technology will not work. Dr. Lee characterized the changing health care system as a “betting game” because of the uncertainty of who the economic winners and losers will be. According to Dr. Gold, health care’s emphasis on keeping people alive for as long as possible is an impediment to innovation—there is little point in extending a life that suffers from terrible illnesses when death is inevitable.

Selling Innovation: When an innovative product is developed, by definition it has not been tested. Thus, selling the first widget can pose a challenge. Dr. Gold suggested giving away the product first to establish its effectiveness, and he said the company must be patient. On the

other hand, Dr. Kharraz advised framing the new product as something similar to what is already being done, so the change does not feel too risky.

Implementing Innovations: The key to effective innovation is changing the behavior of both patients and providers. Dr. Kharraz said changes can be small as long as there is sufficient volume. For example, ZocDoc—a website that helps patients find and schedule appointments with providers—encourages doctors to upload their registration forms online by posting a trophy icon next to doctors who participate. Once doctors saw that other doctors had the trophy, they followed suit. To Dr. Gold, translating innovations is key—by providing patients suffering from cancer with actionable descriptors (get treated, think about it, or do nothing) rather than “stages,” the patients were better able to make decisions about treatment. Dr. Lee took another step back and asserted that patient behaviors cannot be changed without establishing trust. Mr. Kocher’s idea of an ideal starting point is starting simple, rather than attempting to solve multiple problems at once. After all, even small improvements that can expand are steps to disrupting the current health care system.