

# OUTSIDE **THE** LINES

## "INSIDERS" CHANGING HEALTHCARE

January 24, 2017

Who are the leaders changing healthcare? As noted in our last *Outside the Lines*, some are “insiders” in our industry; others are “outsiders.” Some are our clients at Strategy Advantage as we are partners for leaders changing healthcare. Others are innovator companies featured in our [ZIGZAG Healthcare](#) ideas & innovations library.

“Insiders” – by our definition – are the “out front,” big-and-bold-vision, American health systems, hospitals and physician groups transforming care, embracing consumerism, and creatively collaborating with others. They are committed to driving an action-forward agenda for change, new care models, new care experiences, and tangible, value-based impact for their organizations, for the industry, and for the consumers and communities they serve.

We will be profiling these leaders throughout the year in *Outside the Lines*. As examples, in the American College of Healthcare Executives’ (ACHE’s) [Frontiers](#) magazine (Winter 2016), the following organizations were called out by ACHE as leaders changing healthcare:



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- MedStar Health – a 10-hospital, 300-sites-of-care health system serving the Maryland and Washington, DC region – established MI<sub>2</sub> (the MedStar Institute for Innovation) in 2009. The mission is “to catalyze innovation that advances health.” Its work is guided and focused by stated principles and organizational considerations, with an intention to drive value for MedStar. Specifically, MedStar can point to direct financial returns and reputational value from the Institute, but it also credits MI<sub>2</sub> with helping to drive large and small initiatives for clinical service lines, adoption and evolution of telehealth, and major collaborations with outside companies that have added tangible programs and assets for MedStar.
- OSF Healthcare – a multi-state health system based in Peoria, Illinois and serving both Illinois and Michigan – is an 11-hospital system with a broad network of providers and other services. It developed its “OSF Innovation Model” organically over the years. Today, the model encompasses “core innovation, adjacent innovation, and breakthrough innovation.” The three types of innovation range in level of difficulty to carry out within the organization, with the core innovations – incremental changes to existing processes – least challenging and most likely for success. The broader intent of the OSF innovation platform is to achieve an ROI. According to OSF: “Our intent is for the program to be self-sustaining and, in time, a new source of revenue for the healthcare system.”
- Two other organizations – Henry Ford Health System, based in Michigan, and

Providence St. Joseph Health, based in Washington – were also featured in the *Frontiers* piece. I would recommend reading more about all four of these “insiders” in the magazine which is accessible for ACHE members.

We know that the organizations featured here are large and have been in the “innovating” space for awhile, so you might be thinking ... what and how do I do this? Our recommendation is that you, first of all ... just start. Look at your strategic priorities and ask where change and innovation fits into your overall goals and objectives. Set up a small – or large – innovation program, with the intent to affect some change, drive some progress and achieve some net return this year. Name a team of people to work on bringing innovative ideas and solutions forward to address a key question on your plate that needs a different kind of answer. Track and follow what other “insiders” are doing; learn from them and clone what’s working. Track and follow what other “outsiders” are doing; consider collaborating with them to help solve your question. Start small and evolve over time as you focus the work and achieve results.

This is not easy. In fact, change and innovation is hard work. As a hospital board member shared yesterday related to a health system innovation strategy we are developing for a client: “This requires an incredible amount of mundane execution ... but it’s a space we all need to be in ... we have to learn from the winning strategies of other organizations ... we have to find, and put into place, new care practices ... we have to be able to tell our stories differently ... and we have to drive metrics and success so that we can keep the change engine going ... because this is what we have to do to be competitive in healthcare today, and for tomorrow.”

Always looking ahead,



Kim Athmann King, MBA, FACHE

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## DO YOU KNOW...

The word innovation – like other words (think about “strategy”) – has almost as many definitions as there are people using it. It is derived from the Latin word “innovatus” and is generally defined as “to make changes; to do something in a new way.” More specifically, I like this definition for innovation: “New ideas that create value, which can become a major source of strategic advantage and economic benefit.”

As it relates to the innovation programs or models in place at the health systems mentioned above, different definitions are used, unique for each organization. Specifically:

- One defines innovation as “a novel and discontinuously different product, service, process, organizational structure, or business model that adds substantive value, and has as its origin a different way of seeing, understanding, and thinking about something in the world.”
- Another defines it as “the process of translating internal and external ideas into new products or services that, in turn, provide real value for patients, employees, payers, partners, and the organization as a whole. These new products or services must be replicable and capable of being implemented at a sustainable cost, and they must meet a need in a way that forwards the organizational vision.”

Whatever definition you use matters mostly because it brings a focusing orientation to your work. According to the *Frontier* magazine authors: “What is important is that both MedStar and OSF have brought the members of their teams to a point where they all operate under the same definition. This coherence allows them to communicate effectively about the focus of their efforts.”

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## DO YOU KNOW ABOUT...

The [8 Essentials of Innovation](#), as presented by Nathan Marston, a McKinsey principal. The thinking in this article – and accompanying video – is very good, intriguing and will spark your thinking.

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## DO YOU HAVE A STRATEGY AND SOLUTION FOR THIS?

At Strategy Advantage, we are currently working to develop a clear vision, clarity of purpose/value expectations and a constant process for innovation for a Los Angeles-based health system. The objectives with this project are to develop a program for innovation that: 1) lines up with the health system's enterprise-wide strategy and 2) works to drive practical, productive value toward achieving cost/value efficiencies and improved care model productivity and experiences, especially for high-risk, at-risk patient population groups.

Whether you need your own innovation strategy/program or not, finding a mechanism to affect change in light of the industry demands is essential. According to one of our industry leaders – in this case, Eugene Woods, CEO of Carolinas Healthcare and the incoming chair of the American Hospital Association's board of trustees – one thing you can do is “clone the bright spots in healthcare.” According to Woods: “There are many bright spots in the health care system right now. So, while a lot of time we are focused on what's broken and what needs to be fixed ... if we could just clone what's working well in any of the systems that we have in the country – from rural to urban to regional and national systems – that would be transformative.”

Perhaps that's where you start – or continue – as you become more of a leader changing healthcare. Some of the answers – the bright spots from other “insiders” in healthcare – may be right in front of you.

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