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Finding the Path to Innovation – Part 2

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Finding the Path to Innovation

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In our previous column (see the Operations and Strategy column in the May/June issue of JHM), we noted that the Affordable Care Act (ACA) has become a disruptive force in the management of healthcare institutions. Industry leaders have been put on the defensive in their need to address mounting financial and operational concerns. We suggested that healthcare managers need to balance financial challenges with innovative programming that enhances their strategic mix to find new ways to counter the disruption from the ACA.

A MODEL FOR INNOVATION IN HEALTHCARE

Innovation means change, whether it is incremental or on the "big bang" level. Regardless of the scope of the innovation, it must be real in the sense that it results in a true improvement in quality. A true quality improvement follows the discovery of a market need for something that fits with the organization's purpose. An effective innovation will be tightly aligned with the organization's mission. This alignment can be gauged through an organization's internal data on finance, operations, and quality. However, it also needs to be judged through focus groups, exit surveys, and general discussions with customers.

Our innovation model touches on three activities: (1) aligning the organization's purpose with its markets, (2) piloting ideas, and (3) learning from a variety of stakeholders in and outside of the traditional healthcare domain. In our previous column, we touched on three organizations that are following this innovation path. Here, we broaden the description of our innovation rubric. In doing so, we focus on one particular innovation initiated by the United HealthGroup (UHG) in the area of health literacy: the Just Plain Clear® program.

Align with Mission and Your Customer Needs

The UHG mission is "helping people live healthier lives," and the firm continually asks itself and its customers how it is doing. The impetus for the Just Plain Clear program came from a number of sources. The ACA mandate for "plain language" in communications with patients and customers led to discussions within UHG that revealed the firm was not able to communicate effectively with its customers (S. Rush, UHG, personal communication, January 2015). If UHG could not communicate, it could not fulfill its mission of "helping people live healthier lives." A review

of the ACA, research, customer feedback, and internal discussion, led to an under-standing of a need for quality improvement.

Pilot Ideas

It is a myth that innovators jump from ideas to action. They must first conduct thorough research and testing. Managers often are reluctant to jump into an innova-tive project because of fear of losing resources and fear of personal failure. A con-trolled pilot project is one way to mitigate those risks. It also provides an opportunity to learn more about internal capabilities and the potential internal use of the innovation.

UHG developed a tool to analyze documents to determine the reading levels needed to understand them and to modify documents for easier reading. The com-pany then decided that a glossary of medical terms in English and Spanish would be a good way to begin addressing health literacy issues among its customers. The initial version of the glossary, which is Web-based, contained 1,400 terms. After an internal review and revision, the website went live for public use (www.justplainclear.com). UHG continually monitors the site and pays special attention to words entered into the search box, as well as to reports from clinicians regarding the benefit of this multilingual product. In 2014, the Just Plain Clear website had 22,600 visitors (S. Rush, UHG, personal communication, January 2015), and its use continues to grow. UHG considers this pilot program a success.

Look Across Disciplines and Stakeholders

Innovation can come from a number of sources. Firms regularly look to outside board members and consultants for business advice. An externally based innovation committee may be of value to healthcare managers.

The design and implementation of UHG's innovation was a collaborative effort across institutional boundaries. The UHG staff consulted with the Institute of Medi-cine; America's Health Insurance Plans; medical schools at Northwestern University, Boston University, and the University of Missouri; the RAND Corporation; and the Center for Plain Language. In addition, UHG staff reviewed more than 800 journal articles on health literacy.

Customers also are collaborators. The program, as seen by its users, is working well on a number of levels. UHG staff regularly conduct surveys internally to ensure that the program's communications tools are working correctly, and they have formally revised 1,200 customer communications documents. UHG has conducted focus groups with customers in Boston and Chicago to elicit guidance for the program's development. Customers report that the glossary conveys the tone of a trusted adviser who is respectful of the individual. On the business side, UHG believes that this new tool may become a differentiator in the highly competitive insurance market.

THE CHALLENGE OF INNOVATION

The Just Plain Clear program illustrates how innovation can take place. However, not all innovations are as successful as this one. Few are as resource rich. Few have the backing of large firms. Nonetheless, we offer this program as a good example of how to think about innovation.

Innovation begins with a demonstrable need for improved quality in some aspect of the business. This need is determined through an applied understanding of how the firm's purpose aligns with the needs of its customers. Testing a program via a pilot project is an important learning experience that draws the firm into a true innovative process. Collaboration across organizational and industry boundaries brings varied perspectives from outside a firm's management structure. Finally, successful innovation requires leaders who are committed to investing in innovation, even in times of strong financial pressure.

The ACA has clearly been a disruptive force in American healthcare. However, it is 5 years old, and many creative organizations are now on the path to testing innovations that will become the backbone for the next generation of healthcare.

For more information about the concepts in this column, contact Mr. McLaughlin at dbmclaughlin@stthomas.edu.