

# Innovation Discussion at WHCC

Posted on April 21, 2008 by George Van Antwerp

We are just starting the 4th general session here. [This is harder to do real-time blogging than I thought...and keep paying attention.]

The panel is Toby Cosgrove from the [Cleveland Clinic](#), Grant Harrison from [Humana](#), and Lee Shapiro from [Allscripts](#). [Justin Fox](#) from Time and [Clayton Christensen](#) from HBS are the moderators.

Clayton is talking about disruptive technologies:

- There is one line for performance that customers can utilize or absorb which has a moderately upward slope. There is a higher sloped line which indicates the pace of technological progress.
- Incumbents nearly always win when it is a sustaining innovation.
- Disruptive technologies start with a technology that is not as sophisticated and less expensive then improve until it meets the market demand. In these cases, new entrants usually win. (e.g., PC versus mainframe)
- Hard for companies to pursue disruptive technologies due to the pursuit of profits. (Toyota started in US with Corolla and only eventually moved to Lexus.)
  - Koreans now doing this to Toyota.
- 3 enablers of disruption:
  - Technological
  - Business model
  - Commercial system
- Focus of enablers in healthcare:
  - Movement from specialist to family MD to nurse to parent
  - Movement from general hospital to focused hospital to outpatient clinic to office to home
- He talked about the movement from intuitive medicine to empirical medicine and eventually to precision medicine (precise diagnosis by cause not by symptoms).

Toby Cosgrove is now talking:

- Clayton's model is right. Gave example of moving from surgery to drugs to prevention.
- Talked about work being done around using technology to address Parkinson's disease.
- Innovation is only answer to affordability challenge.

Grant Harrison from Humana:

- Absolutely focused on innovation within Humana.

- Focused on changing things for consumers. What do they want? What do they want improved? What is health mean to them?
- Research says health means being able to do what I want to do with my life...So how are people living their lives.
- How does this change what we provide?
- The end goal is happiness not just elimination of disease.

Lee Shapiro from Allscripts:

- EMR plays a substitutive role for paper chart. It is transformative is the ability to introduce evidence-based rules and connect providers with information that they need and other services and providers that are important to care.
- Talks about their web-based e-prescribing tool used by thousands of MDs. [Indicative of how slow adoption is happening.]

Clayton says that today's hospitals and specialist practices are agglomerations of three business models he talks about which include solution shops, value chain, and facilitated-user network model. When we separate those out into distinct models, then the value can be assessed and priced appropriately.

- MD value prop: the solution to any problem starts here. (solution shop which over-prices for basic acute disorders by its design.
- Clinic value prop: fast, convenient resolution of rules-based acute disorders.

Clayton showed an interesting slide mapping (X) the role of the patient and family's intuition in effective therapy versus (Y) the important of MD's intuition.

- Bottom left has diseases that fit a clinic - GERD, myopia, HIV, migraines.