



Embracing Innovation: Utilizing a Prototyping Center at Your Health System

BY PHILIP A. NEWBOLD, FACHE, BEACON HEALTH SYSTEM

Innovation, defined as the implementation of a new product, service, or offering that brings value or leads to a competitive advantage, may be the most important competency for our future. In the healthcare field, many large, nontraditional corporate giants such as CVS, Amazon, and Google have established healthcare as a new top priority, and there is a growing mob of upstarts and niche players that are targeting the insured, ambulatory consumer with new technology and value propositions. Hospitals and health systems, however, have been slow to embrace innovation, and the warning signs of inaction and preserving the status quo seem to get louder every day. One way that healthcare organizations can more aggressively embrace innovation is to develop a prototyping center to rapidly test new consumer offerings, channels, brands, and consumer experiences.

I first learned about rapid prototyping from IDEO, a company with expertise in design and new product ideas. At its core, prototyping is making ideas tangible or, as Tom Kelly, the past General Manager of IDEO, says, “It is dashing off sketches, cobbling together creations of duct tape and foam core, shooting quick videos to give personality and shape to a new service concept.” Health systems sit on top of one of the most valuable assets and resources that can help jump-start this prototyping process—their thousands of employees and their families. Since health systems have full control of how employee benefits are designed and offered, it is invaluable to be able to create incentives and small experiments to rapidly test new services and offerings that can then be taken to the marketplace or directly sold to local and regional employers.

In this article, I will share a few examples of how Beacon’s talented employees and their families have been critically important to the early prototyping process, and how governance can support other organizations in doing the same.



Philip A. Newbold, FACHE
Former CEO
Beacon Health System

New Facilities

Memorial Hospital of South Bend, now part of Beacon Health System, opened the first two Convenience Care Clinics for Walmart in the United States. One of the keys to winning this opportunity in the early years of nurse-based clinics in retail settings was the experiences gained by rapidly

prototyping this new urgent care center model with our staff and their families. We first constructed a full-scale model made entirely of cardboard, foam core boards, sheets, towels and old furniture, all held together with duct tape. More than two dozen staff and their family members volunteered to go through simulated urgent care visits to gain new insights and make rapid changes. After the second version of the Convenience Care Clinics was constructed out of drywall and wood, staff and their families again helped with improvements and suggestions.

This same rapid prototyping discipline was used when Beacon Health System constructed a new \$40 million Heart and Vascular Center and the Beacon Children’s Hospital. Both the hospital board and health system board are extremely supportive of these types of new capital projects because they appreciate how rapid prototyping minimizes the risk involved in large projects, such as these, and how any potential failures are made in early versions before final construction. Prototyping can be used whenever or wherever new spaces are created to minimize the level of risk in the planning process and to test your offerings with real consumers.

New Services

Prototyping works with testing virtual services and digital offerings, too. Three years ago, Beacon Health System noticed the emerging opportunity of virtual visits or telehealth offerings for primary care and urgent care settings. After conducting a year’s worth of market research, Beacon developed a virtual urgent care offering to supplement our other physician and

Key Board Takeaways

Health system boards should implement three policies to support their organizations’ efforts to embrace innovation, perform rapid prototyping, and promote employee health and engagement:

- Implement an innovation policy to stress the importance of innovation as a core competency for the future.
- Ensure a health and well-being policy is in place to encourage better health among an organization’s employees and to test-drive health innovation prototypes.
- Establish a tithing policy to provide critical funding to innovate in the community served by a healthcare organization.

nurse-based urgent care centers. For this project, we worked with a digital partner, American Well, to get this vital new product into the market quickly with Beacon’s branded smartphone app. To help educate the region on this new offering and to access physician-based urgent care settings, Beacon began offering eight free virtual urgent care visits each year to its more than 7,000 employees and their covered families. This is a quick and easy prototyping method to test the system under actual working conditions, using staff and their family members, and work on problems encountered before its launch to the general public in the region. Governing boards also are often asked to “test drive” these new service offerings as a way to educate them and build support for new digital access points.

Beacon is currently testing a new, rapid outpatient experience app that measures the experiences and satisfaction of people in outpatient settings 10 minutes after a visit through a secure HIPAA-compliant text format. Once again, we partnered with a small start-up firm and we acted as an early test site organization to both gain valuable consumer experience and build appropriate databases. I was personally involved in this prototype testing. After I finished some outpatient tests, I was walking to my car and received a text about seven to eight minutes after my visit. I quickly answered seven questions about my outpatient experience and had an opportunity to request a personal call back if I was

dissatisfied or if I wanted to praise someone who made the experience memorable.

Governance Implications

Governing boards and executive leadership teams would benefit from the adoption of three policies that can help support, fund, and hold accountable these innovations efforts. First, an innovation policy is necessary to highlight the importance of innovation as a core competency for the future, and to ensure there is ongoing education and training around this crucial discipline. It also is critical to ensure the executive team include a senior leader who has experience with prototyping innovation. Without board commitment to innovation, an organization is defenseless against aggressive, for-profit niche players that target well-insured patients with new technologies and convenient settings at rock-bottom prices.

Second, a thoughtful health and well-being policy will help to ensure that

the organization does not place all of its resources and interests in a medical model that focuses only on sick and injured patients. Although the newly emerging health models do not have the same lucrative reimbursement incentives as the traditional medical model, far more people consider themselves to be consumers of health than traditional sick patients. This policy should offer healthy food options throughout the system; incentivize employees to exercise, reduce stress, and lead healthier lifestyles; and design benefits that use preventive and early detection screenings. Board members would do well to have regular educational sessions on the new digital consumer and the impact of social media in today's fast-paced world.

Finally, healthcare boards should establish a tithing policy that sets aside a fixed percentage—around 10 percent—of the bottom line to provide critical funding to innovate in the community with a focus on prevention and education about

healthy choices in life. Beacon has been a tithing organization for more than 25 years, and this important community work is among my proudest accomplishments and has positioned Beacon as the guardian of the health and well-being of the communities we serve.

Governing boards and executive leadership have so many new pressures and forces to deal with today, but nothing is as important as beginning to develop a pipeline of new services and offerings in a digital world powered by a robust innovation competency. Together with our talented staff and the backing of the community, we can embrace the many changes we face through innovation, rapid prototyping, and employee engagement. ●

The Governance Institute thanks Philip A. Newbold, FACHE, former CEO of Beacon Health System in South Bend, Indiana, for contributing this article. He can be reached at pnewbold@beaconhealthsystem.org.