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Retail Healthcare: Disruptive Innovation Begins

by Stephen Wunker, MPA, MBA

Are retail health clinics, like MinuteClinic, the future of primary care? Or are they a passing experiment, like the Doc-in-a-Box concepts of the 1990s? Many physicians seem to have relegated this concept to a small niche within primary care, calling them "ancillary services." The term suggests that the clinics are largely irrelevant to the main thrust of medicine; at best, they are a minor convenience for a small subset of patients. It is a classic response, and one that echoes the attitude of incumbents in a host of industries that have ultimately undergone profound transformation.

Disruptive Innovation

In 1995, Harvard Business School Professor Clayton Christensen coined the term "disruptive innovation" to describe situations in which a new competitive force totally reorders or even creates an industry. Think of Southwest, Wal-Mart, the cell phone, and the photocopier. Each of these innovations started out as *worse* than existing offerings by traditional measures of performance, but succeeded in offering great performance in a totally new dimension. American, Marshall Field, AT&T, and mimeograph makers all dismissed the innovations as suitable for only a small subset of customers, and thus, largely irrelevant to their businesses. American attributed Southwest's initial success to having a near monopoly at the Love Field airport in Dallas. AT&T commissioned a study in 1980 showing that the global market for cell phones in 2000 would be 900,000 units. Now that amount is sold every 3 days.

Disruptive innovations *must* start out as largely irrelevant to existing industries. Because they offer a radically different profile of costs and benefits, they often do not appeal to the most important customers of an existing industry; incumbents have created the industry's current offerings precisely because that's what these critical customers want. Yet, there is at least a small set of potential customers, and potential providers, who are interested in this new proposition. The offering gains traction in this foothold. Then it moves upmarket into more established territory, because that's where the big money is. The disruptive offering must improve over time if its market is to grow. By the time incumbents see the entrants as a threat, it may be too late to recover share.

Thoracic surgeons initially dismissed angioplasty as irrelevant to the types of patients they treat. Initially, it was; angioplasty patients tended to be at much lower risk for infarctions than patients qualifying for bypass surgery. However, these patients previously had few effective treatment options; for them, angioplasty was quite attractive. Moreover, cardiologists could now use angioplasty to perform what was a very profitable procedure. For years, thoracic surgeons felt little impact from this shift; but, as angioplasty kept on improving, thoracic surgery entered long-term decline.

Creating the Foothold

Retail healthcare fits this pattern extremely well (**Figure 1**). The Centers for Disease Control and Prevention reports there are about 80 million primary care visits annually within the five diagnosis-related groups on which these clinics focus. This constitutes about 18% of total primary care visits. When physicians factor in all the fixed costs of their practices, such as facilities, equipment, record keeping, and staff, and compare that to the low reimbursement earned in these categories, such visits aren't very profitable.

One viewpoint was recently expressed by Rick Wade, Senior Vice President of the American Hospital Association. "It's one thing to buy a television set, a camera, and [eye] glasses at a retail store, but to go there and have someone invade your body with a medical test?

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- Starts with "good enough" performance along traditional dimensions
- Offers new benefits, such as simplicity, convenience, or low prices
- Appeals to "overshot" customers or "nonconsumers"
- Often utilizes "low cost" or "start small" business models
- Takes advantage of competitive weaknesses and blind spots

"It's one thing to buy a television set, a camera, and [eye] glasses at a retail store, but to go there and have someone invade your body with a medical test? I think people will think twice."
—Rick Wade, Senior Vice President American Hospital Association

"I have high standards about how quickly things should happen, and I was surprised at how efficient this was."
—MinuteClinic patient

Figure 1. Is Retail Point-of-Sale Disruptive?

I think people will think twice." A MinuteClinic patient, quoted in *the New York Times*, had a different perspective. "I have high standards about how quickly things should happen, and I was surprised at how efficient this was."

Notice the difference in what constitutes quality. The contrast brings to mind the fierce debate that occurred within Kodak over whether to market the disposable camera. One camp said that the Kodak brand was all about the picture quality you'd want for your wedding. The winning camp responded that you don't use a disposable camera for your wedding, but for a Saturday at the beach. "Quality" is meaningless without context.

Imagine a mother whose child has an earache on a Saturday night. She knows it's an ear infection because her son has had three of them this year. What are her options? She can suffer through her child's cries until a pediatrician appointment on Monday morning; wait 3 hours at the emergency room; or spend 15 minutes, with no appointment, at her neighborhood pharmacy/retail clinic, and walk out with not just a prescription but also a bottle of antibiotics. What is "quality" in this context?

This parent is a foothold market for retail healthcare. Ear infections drive only about 4% of all primary care visits. However, a pleasant experience in this context may lead to visits for other conditions, such as upper respiratory infections. With the average patient seeing a primary care physician (PCP) four times per year, many of those appointments may eventually be replaced by a retail healthcare visit.

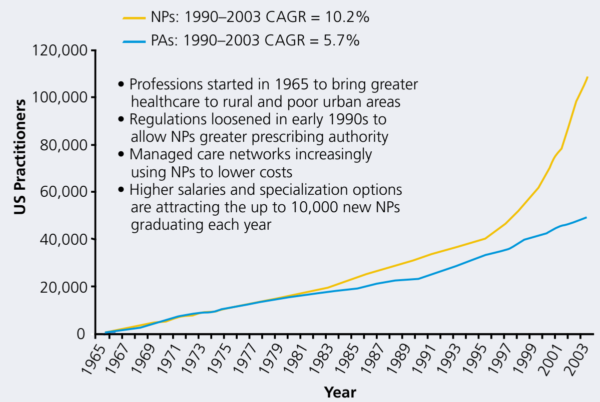
The clinics succeed by strictly limiting their services. Nurse practitioners (NPs) see patients in a small office with very limited equipment and at low prices. This model would not work if the clinics had to cater to all patients with all conditions. Instead, it works by being very specialized—a key difference from the Doc-in-a-Box experiments of the past. MinuteClinic is like Jiffy Lube or Midas in that you go for a limited number of problems.

The Future of Retail Clinics

Soon, the retail healthcare landscape may become quite competitive. Drugstore chains like CVS and Walgreens are feeling compelled to launch these clinics to retain market share for their pharmacies, which are essential to overall store profitability. Supply may soon outstrip demand, at least in the short term. Profits may decline.

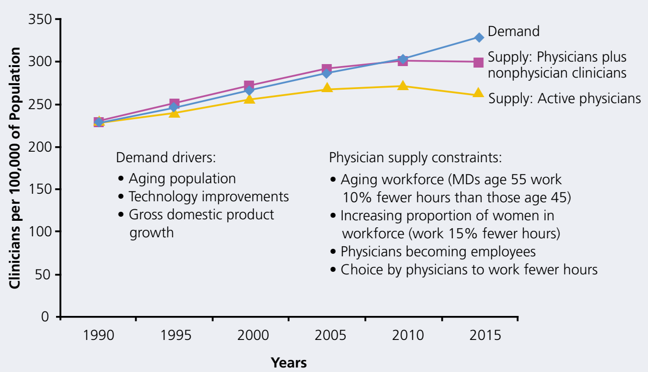
Then what? Typically, what starts out at the bottom end of the market has strong incentives to move up. Low-cost airlines began by flying from Houston to San Antonio, then Boston to Miami, and now all business class from New York to London. Retail clinics will have every reason to adopt new technologies that allow NPs to do new things that, because of technology, are now within their skill level. One could imagine routine hypertension checks, asthma visits, and disease management occurring in settings like the retail clinics we have today. For pharmacy chains fighting for the loyalty of high-value customers, it would make much sense to create offerings suitable for people living with chronic diseases. The same clinic might not be able to cost-effectively treat both sinusitis and diabetes, but different brands of retail clinics could focus on distinct fields.

Although several state-level physician organizations are fighting the introduction of retail clinics, doctors may step out of the way. With physicians aging and many choosing to work fewer hours, the supply of available PCP work hours is projected to decline. Meanwhile, the number of NPs has skyrocketed (**Figures 2 and 3**). In established practices, NPs and physician assistants (PAs) are assuming more and more of the duties traditionally reserved for physicians. It is a very small step to migrate these services to decentralized facilities; potentially, a physician could be available for videoconferencing in certain situations. Electronic medical records can allow the continuity of care in these cases to be as good as it is in many practices today.



CAGR = Compound Annual Growth Rate
Note: Data interpolated where time series unavailable.
Sources: American Academy of Physician Assistants and American Academy of Nurse Practitioners.

Figure 2. Growth in Numbers of NPs and PAs



Note: Nonphysician clinicians include NPs, PAs, midwives, chiropractors, and other alternative clinicians. Supply of PCPs is particularly constrained, as the number of medical school seniors choosing primary care residency declined 47% from 1997 to 2003.

Sources: Cooper, Federal Forecasters Conference Proceedings, US Dept of Education, 2000; Annual Review of Medicine, 2001; Annals of Family Medicine, 2004.

Figure 3. Supply Constraints of Traditional Physicians

In time, there may be a wide array of retail clinics. Some may be like today's providers, focusing on simple conditions that are quickly diagnosed and treated. Others could concentrate on chronic diseases. Many will have NPs working alone, supported by new technology. Some may use NPs plus "virtual doctors" who would be located in lower-cost areas outside major cities and who would have high utilization rates from being able to cater to many facilities at once.

How Should Physicians Respond?

There are five major avenues for physicians to follow in response to these changes. Given that most practices have little managerial time to devote to new initiatives, it is important for physicians to think through which option works best in their circumstances and focus on that approach. They should periodically reevaluate that strategy as competitive conditions change and more is understood about untapped markets.

Flee Upwards

Doctors may choose not to respond to the retail clinics' presence within the foothold market, and instead concentrate on higher-margin services for patients they see frequently. In certain markets (eg, near retiree communities), this may make perfect sense. However, the danger is that the retail clinics will evolve like the low-cost airlines did. Near retiree communities may begin looking towards the older or chronically diseased as a new market with profit potential vastly greater than the one they are serving today.

Disrupt the Disruptor

Given that the physician currently owns the patient relationship, the physician has the chance to preempt retail clinics by beating them at their own game. Can physicians do more over the phone? Can they even encourage use of emerging remote diagnostics (eg, blood pressure cuffs linked via Bluetooth to phone lines)? These steps may not earn vast profits, at least initially, but they could create powerful defenses against new entrants.

Redefine the Basis of Competition

Healthcare can be astonishing in the way it offers undifferentiated services to patients with various needs. This situation creates an opportunity to seize leadership by doing things differently. For instance, what about offering a "working parents package" that allows Saturday appointments for a modest, self-paid fee?

Disrupt Yourself

If you have a strong presence in your community, you might consider opening your own retail clinic. It will have disadvantages compared to those at drugstores, lacking the convenience of that setting and the efficiencies gained from operating hundreds of such units. However, it may cater to a different segment of the market consisting of those patients who are more concerned about trusting their physician.

Pursue New Growth Opportunities

Increasingly, technology is allowing PCPs to undertake what only specialists could do in decades past. For their part, specialists are doing procedures that only hospital-based surgeons performed not too long ago. Emerging technologies are also allowing office-based practices to conduct quick diagnostic tests that previously had to be outsourced to offsite labs. Creating strong reputations for managing growing disease states, like diabetes, can also allow physicians to thrive in new ways.

Disruptive innovation affects every industry. Once-mighty incumbents, from US Steel to General Motors to Sears, have painfully learned that seemingly irrelevant forces can reorder a marketplace. The key to success is recognizing the pattern that is occurring and acting before it is too late. Physicians still have the opportunity to respond effectively to retail clinics. It may be impossible to stop change, but it is quite feasible to change your practices in ways that exploit the new competitive dynamic.

Stephen Wunker leads the healthcare practice at Innosight, a Boston-based consulting firm founded by Harvard Business School Professor Clayton Christensen and focused on creating new growth platforms through disruptive innovation.

Disrupting the Status Quo with Smart Innovations

An Interview with Craig Samitt, MD, MBA, President and Chief Executive Officer, Dean Health System

A recognized leader in healthcare strategy, operations, and risk management, Craig Samitt, MD, MBA, has written extensively on the topic of disruptive innovation in the healthcare industry. He has lectured nationally and internationally on healthcare delivery transformation, physician performance management, and related matters. He also has served as an executive mentor and strategy and operations consultant to many healthcare institutions throughout the United States.

Since September 2006, Dr. Samitt has been the President and Chief Executive Officer of Dean Health System, Inc. In this position, he is responsible for all strategic planning of the health system, as well as the financial, operational, and clinical performance of the company's 500 doctors, 3,000 staff members, and 60 facilities. Under Dr. Samitt's leadership, Dean has undergone a rapid financial and operational transformation to become the first "Great Healthcare Company." Dr. Samitt has been designated both an Ernst & Young Entrepreneur of the Year finalist and a finalist for Modern Healthcare's Top 100 Most Powerful People in Healthcare.

Q. Dr. Samitt, as a physician and Chief Executive Officer of Dean Health System, you are responsible for almost 500 physicians, 60 locations, and over 3,000 employees. Some people consider the term "physician executive" an oxymoron, as physicians and executives bring to the table two very different skill sets. As an innovator in merging these, what has been your philosophy?

A. *When I first began my career in healthcare management, I would have agreed with the notion that physicians and executives have two very different skill sets that apply to two very different worlds. Over the years, I've come to realize that the challenges that doctors and healthcare leaders face are somewhat comparable. Day to day, my work involves evaluation, diagnosis, and treatment of a variety of business challenges. I may face similar problems on consecutive days, but my treatment of the issues may vary depending on the individuals involved and the circumstances. The full extent of my day involves listening to, working with, and persuading individuals to change. In my view, what I do equates to what doctors do every day.*

That said, my overarching philosophy stems from the notion that successful physician executives are those who effectively serve as translators between two very different worlds. There is inherent distrust between physicians and the organizations for which they work; the ability to affect change stems directly from the translation of business into clinical terms and the translation of medicine into business terms. As such, in each of my leadership roles, I have been viewed by physicians as a doctor who speaks the language of business and by other executives as a businessman who speaks the language of medicine.

Q. I understand that at Dean Health Systems, one of your primary goals is to spearhead growth and expansion of the delivery system. This will certainly require disruption and innovation. What are the principles of success in an undertaking of this magnitude?

A. *Over the years, I've come to believe that there are three primary principles in driving successful transformation and expansion of healthcare organizations:*

- ***Focus on the customer.*** *Historically, I believe that healthcare delivery has been a somewhat inwardly focused industry that has not sufficiently focused on the needs of its customers. In each of my leadership roles, I've taken on the role of "Chief Customer Officer," with the notion that those healthcare organizations that provide the best product in the eyes of their consumers (best service, best quality, fairest price, highest value) will ultimately command the highest market share.*
- ***Learn best practices from outside healthcare.*** *Early on in my career, I formed the impression that healthcare has not aptly learned lessons from other industries. During my tenure in business school, I was astounded to see that, over the course of 2 full years of case studies about the best companies in the world, not once did I hear a case about a healthcare company. Further, when I returned to my first managerial job after completing business school, it was remarkable to me that many of the tools that most other industries have mastered are barely applied in healthcare. I have therefore worked since then under the premise that those healthcare organizations that apply the tools and techniques of the best companies in the world (eg, effective recruiting, incentives, and performance management) will achieve excellence faster than their competition.*
- ***Learn the art of physician persuasion.*** *I would argue that the stakeholders who are in the best position to drive improvement in quality, service, efficiency, cost, and value are the physicians. As such, I have worked for a decade to fine-tune my ability to engage, persuade, and coach physicians to proactively rather than reactively lead the transformation of healthcare. My efforts to lead and drive change have been highly dependent on my ability to tap into the "toolkit of physician persuasion" I've designed and refined over the years. Organizations that can align the interests of their doctors with their organization, and can persuade physicians to remain nimble and change rapidly, will outrun their competition.*

Q. Moving from this large-scale effort to a more localized approach to change, how do physicians begin to broach disruptive innovation within their own medical practice? Is there a step-by-step approach you can recommend to our readers?

A. *The greatest substance of this answer is given in the second principle [learn best practices from outside healthcare] above. I would encourage physicians not to recreate the wheel as it pertains to driving disruptive innovation in their practices. Many of the strategies* *employed by other industries have proven successful in driving disruptive innovation, whether it's formalized process improvement, patient satisfaction surveying, or adoption of electronic medical records and other new technologies. The application of any of the strategies I previously described will help; that is, not all need to be employed. Improvement of our industry is highly incremental; even small efforts will serve to improve our quality, service, and value.*

Q. You have been quoted as saying, "Healthcare delivery is, in fact, a service industry that doesn't act like one." Can you expand on this comment?

A. *Absolutely. It's fair to say that our society is becoming increasingly more demanding as it pertains to service delivery. I would include myself in that trend, and find that, as I've grown older, I've become more ornery and demanding. In short, I know what good service looks like in the airline, hotel, and retail businesses. When I apply those same standards to healthcare, I feel that we fall short. While other service industries are striving to exceed our expectations, this is what we do every day to our patients in healthcare:*

- *Six-hour waits in ERs when patients are sick and scared.*
- *Nine-month waits for physicals with PCPs, or 3- to 4-month waits for routine consultations in certain specialties.*
- *Hours of delay, or phone tag when trying to reach a practice for clinical advice.*
- *Weeks of delay to receive test results by mail (most other industries would send information electronically), if at all.*
- *Hours of delay in waiting areas or exam rooms. Thus far, I've been fortunate to be very healthy and have only had one clinical condition, cervical radiculopathy. I realized how broken our industry was when I waited 7 hours in the exam/waiting rooms to see a neurosurgeon, and in return got 4 minutes of the neurosurgeon's time.*

Q. Some physician groups have recognized that providing quality service may be just as important as providing quality care to patients. What are some examples of disruptive innovations within the healthcare industry that have dramatically altered the approach to patient service in healthcare?

A. *I've been pleased to see that medical groups are becoming more attentive to providing quality service. As some groups try service-improvement strategies, and as patients are seeking out these groups, competitor groups have needed to respond in kind and develop their own service strategies. Some of the most prominent innovations that I've observed to date include the following:*

- ***Advance access.*** *Instead of offering patient appointments months out for routine physicals or consults, groups have implemented "advance access" strategies that have reduced waits for appointments from months to days.*
- ***Using technology to improve service.*** *Several practices are piloting the implementation of kiosk technology (like in airports) at reception to reduce waits and improve the confidentiality of the check-in process.*
- ***Physician coaching and training.*** *There are no enormous differences between physicians who receive high patient satisfaction scores and those who receive average scores. Practices are beginning to coach and train physicians about the strategies that high scorers employ, including patient-greeting, highlighting personal memories about the patient in the first minutes of the visit, and calling a subset of patients at night to underscore concern and inquire about other questions.*

Q. Among these innovations, which is your personal favorite, and why?

A. *By far, my favorite is the last of these innovations. In my experience, patient satisfaction and loyalty are most highly correlated with satisfaction with the interpersonal skills of the physician.*

Q. Despite clear advantages, the electronic medical record, e-prescribing, and other technological advances still have not been incorporated into many medical practices. Why has the healthcare industry been slow to adapt to today's technological culture? What are the forces of change that must come into play to turn this around?

A. *In general, any change in healthcare occurs at a glacial pace, including the implementation of new technologies. While service orientation and other changes in medical practices may continue to move slowly, technological transformation will need to occur more quickly. There are many market forces encouraging physicians to adopt new technologies, including competitive pressures, and legislative and payer incentives.*

Q. Disruptive innovation requires a great deal of process reengineering to change existing systems and mindsets. What are your top three suggestions for surviving this process?

A. *My recommendations for developing an effective process-reengineering strategy that leads to sustainable results are as follows:*

- ***Involve physicians up front in the change process.*** *Doctors need to participate in designing change, rather than be mandated to implement a change they have not designed.*
- ***Develop a standardized process-improvement methodology.*** *It does not matter whether the methodology is PDCA, Six Sigma, Lean, or another methodology; the important thing is that the methodology be consistent.*
- ***Conduct process improvement in parallel with implementation of new technologies, or at least with new technologies in mind.***

Q. What is your vision of innovations that will occur in the medical practice of the future, and how long do you think it will take to get there?

A. *More practices are seeking ways to improve quality, service, and value via innovation. I am aware of many groups that are both joining think-tank organizations to share best practices and attending conferences to learn about innovations in healthcare. My prediction is that some innovations will happen within the next 5 years (eg, technological implementation, use of data, and performance incentives), others will take up to 10 years to truly take root (eg, behavioral interviewing of doctors, process reengineering, and marketing innovations), and still others will take even longer, given that they require reform in the medical education and training processes. In short, I'm confident that healthcare delivery is finally heading in the right direction by redefining paradigms and seeking to transform into an effective, service-oriented, business-minded, and high-value industry. It will take more time, but I'm certain we will get there.*

Disruptive Innovation: Good Medicine for Patients and Physicians

An Interview with Robert Margolis, MD, Chief Executive Officer, HealthCare Partners

Robert Margolis, MD, chairs the National Committee for Quality Assurance—the first physician ever to hold this esteemed position. Dr. Margolis is also both Chair of the Governing Board and Chair of the Executive Committee for the California Association of Physician Groups. He is a member of the Executive Management School Advisory Committee, School of Public Health, at the University of California, Los Angeles and is Chairman of the Board of Trustees for the California Hospital Medical Center, Los Angeles.

Dr. Margolis has been the Managing Partner and CEO of HealthCare Partners (HCP), LLC, since the company's formation in 1992. HCP is a management services organization that operates medical groups and independent physician networks nationally. A leader in multispecialty integrated and coordinated care delivery, HCP's medical groups care for more than 550,000 patients. Under Dr. Margolis' stewardship, HCP has become a highly respected and innovative, physician-owned and operated medical group, IPA, and MSO.

Q. Your organization, HealthCare Partners (HCP), has been rated in the top 10% of medical practices in California in terms of patient satisfaction. What are the three most significant business innovations that have contributed to this success?

A. *HCP's three most significant business innovations contributing to the achievement of our top satisfaction scores are:*

- ***Patient Flow.*** *Based on insights from research and focus groups of our patients, we designed and instituted an innovative infrastructure and physical environment that was designed to delight our patients as well as our staff and clinicians, thereby allowing us to fulfill our vision.**

  Patient flow supports clinical excellence and delivers what patients tell us they consider to be quality care. This includes access to and more time with their doctors, fast referrals, and convenient community locations. Patient flow provides a small-practice feel and a relationship with the physician and his/her office staff. Our related patient flow accreditation program monitors processes and sustains consistency.

  **HCP is dedicated to the well being and respectful, compassionate healing of our patients and communities.*

- ***Patient Satisfaction Team****. To ensure that patient satisfaction is top of mind to all HCP employees, we have instituted a patient satisfaction team. This team works to keep fresh in our minds the importance of satisfying our patients. Some of the innovations this team has implemented are the mystery shopper program, ongoing customer service training and coaching, and working to make every HCP employee accountable for overall patient satisfaction. This team is also instrumental in measuring and monitoring patient satisfaction through the thousands of satisfaction surveys we send out each year to gain insight into how we can improve our performance.*

- ***Electronic Health Records.*** *Our patients, and especially our senior patients, indicate that they value electronic health records. Physicians are able to use this technology to educate patients about their unique health conditions and the importance of compliance. Electronic health records enhance physician/patient dialogue, prescription safety, timely access to information, and care coordination for each individual, while aggregating data useful in further identifying best practice protocols.*

Q. Were these innovations disruptive to the status quo of how your medical practices were operating?

A. *Innovation is innately disruptive, but it doesn't have to be disorderly or unexpected. Because the culture of HealthCare Partners is one of continuous improvement, we have dozens of process improvement teams addressing key issues, with attention to ongoing, relevant communication and change management that respects our focus on quality of care and patient satisfaction.*

Q. What steps did you take to minimize the extent of disruption and win buy-in from physicians and staff?

A. *We designed and implemented a change management plan to increase our probability of success. Beginning with communication throughout the company, this plan includes communicating the case for change; identifying the people and workflow processes that will be affected; defining teams and their composition; stating how we will communicate—through which media vehicles, and at what intervals; identifying benchmarks; and establishing how success will be measured. We also document the process of change, and frequently survey those affected for feedback about what they think of the change, its impacts, and potential barriers. We support physicians and staff by providing them with talking points that make it easier to explain goals and objectives to patients; moreover, we help physicians* *and staff by communicating positive changes to patients through publications and the Internet.*

Q. What were the most significant hurdles you faced in implementing these innovations?

A. *The most significant hurdle was the challenge of training for and implementing a massive change in process, while continuing to provide our clinicians and staff with the support necessary to ensure a manageable workload.*

Q. Did you have to change the game plan midprocess as a result of new insights?

A. *With regard to the adoption of the completely new, company-wide, electronic health records, we had to adjust the expectation of our timing to allow for training appropriate to varying levels of computer literacy.*

Q. Every professional must learn from mistakes. Can you cite any examples, either in your organization or another healthcare organization, of a disruptive innovation that fell flat and describe why?

A. *As our processes have become more automated and there are more complexities and products in the healthcare arena, we have adapted our methodology for implementing change. We found that our old way of identifying and solving a problem, including major process changes, was taking too long and resulted in HCP not being able to move fast enough to keep up with the changing environment. True to our spirit of continual improvement, we had to rebuild our process*

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Technology Today

Just as the practice of medicine continues to evolve, so too does the business of medicine. Web-based resources for improving practice management abound. Physicians and practice managers seeking information about topics like disruptive innovation can explore online resources such as those described here.

Institute for Healthcare Improvement (IHI) www.ihi.org

IHI is a nonprofit organization leading the improvement of healthcare throughout the world. IHI offers resources and services to help healthcare organizations make improvements that enhance clinical outcomes and reduce costs. The Institute helps accelerate change in healthcare by cultivating promising concepts for improving patient care and turning those ideas into action.

American College of Physician Executives www.acpe.org

This professional organization and CME provider offers training in leadership and management skills for physicians as well as personal support for its members through physician executive advisors and management coaches. Online regional, topical, and positional networks link members locally and nationwide to solve problems and discuss topics of mutual interest.

Center for Health Care Strategies, Inc. (CHCS) www.chcs.org

CHCS is a nonprofit organization dedicated to improving the quality and cost-effectiveness of publicly financed healthcare for people with chronic health needs, elderly patients, and racially and ethnically diverse populations. CHCS works with state and federal agencies, health plans, providers, and consumers to design programs that better serve high-need and high-cost populations. Its program priorities are advancing regional quality improvement, reducing racial and ethnic disparities, and integrating care for people with complex and special needs.

Medical Group Management Association (MGMA) www.mgma.com

The largest association of medical group practice professionals in the United States, the MGMA's mission is to continually improve the performance of medical group practice professionals and the organizations they represent. The association offers resources, including publications, related to financial management, human resources, operations, information management, risk management, planning and marketing, and governance.

Medical Outcomes Trust www.outcomes-trust.org

The Medical Outcomes Trust is a nonprofit organization dedicated to improving health and healthcare by promoting the science of outcomes measurement and the development, evaluation, and distribution of standardized, high-quality instruments that measure health and the outcomes of medical care. The Trust supports the use of these instruments with services and publications.

Modern Physician Online www.modernphysician.com

A business publication for physician executives, leaders, and entrepreneurs, *Modern Physician* addresses the business of healthcare. It offers free online access to recent issues and paid access to older articles.

An Interview with Robert Margolis, MD *continued from page 7*

methodology at the same time we were working through a process improvement. That was a bit like rebuilding an aircraft while it was in flight.

Q. What advice do you have for other physician practices about how to identify areas that could benefit from disruptive innovation?

A. *Usually areas that enhance the quality of care, safety, efficiency, or areas related to significantly improved clinical or administrative operations are of highest priority. Survey your patients, clinicians, staff, and professional partners as to how you are doing and how you can better serve them. Take their responses to heart, evaluate your situation, and, if possible, make the changes necessary to improve care.*

Q. What advice do you have for other physician practices about how to ensure successful implementation of disruptive innovations?

A. *Make sure the innovation is aligned with the physician group's vision or mission; have the leadership to drive change culturally and operationally; develop teams that represent the interests of, and draw expertise from, all operational areas that may be affected by innovation; identify and communicate key performance indicators that will be used to measure success; and communicate clear, relevant information.*

Q. Outside of your own medical practice, what is an example of a creative innovation in medical practice in recent years, and what successes did it yield?

A. *Geisinger Clinic received national recognition for its Osteoporosis Disease Management Program, which emphasizes prevention, detection, and appropriate treatment. Since the inception of the program in 1996, osteoporosis diagnosis has increased 400%, bone-density testing has increased 1,000%, use of prescription osteoporosis treatment has increased 1,300%, and the hip fracture rate has dropped by 36%. According to a report from the Council of Accountable Physician Practices, this reduction in the number of fractures as a result of this disease management program improved quality of life for many patients, and saved an estimated $7.8 million.*

Q. Disruptive innovations in healthcare obviously can have an impact on costs, but what other areas are affected?

A. *In our case, a very positive impact on patient satisfaction was seen with disruptive innovation, as that was a primary metric of the success of some of these programs. We also have seen physician and staff morale improve due to these innovations, and, as a result, our turnover has been reduced.*

Q. How do you envision the medical practice of the future? What types of innovations will become commonplace and when?

A. *Within the next few years we anticipate even greater collaboration among provider groups and healthcare organizations; technological and pharmaceutical advances in care delivery, including online physician/patient interaction; nationwide use and integration of electronic health records; increased use of technological devices that monitor patients' health status in their homes; diagnostic imaging that can be shared instantaneously with clinician teams in any location; and an even greater emphasis on compassionate, dignified, end-of-life care.*

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