

Mark Masselli: This is Conversations on Healthcare, I'm Mark Masselli.

Margaret Flinter: And I'm Margaret Flinter.

Mark Masselli: Well Margaret a shocking loss has happened with the untimely death of Supreme Court Justice, Antonin Scalia the soul of the High Court's conservative wing and an ardent foe of the Affordable Care Act.

Margaret Flinter: Well Mark Scalia's passing leads the court with an even split along ideological lines at a time when some very important health related matters were coming before the High Court, this case has involved Texas Abortion Laws, the mandate requiring employers' health plans to provide birth control to employees.

Mark Masselli: And it's possible that the decision on these health related matters could be put on hold until when Ninth Justice is approved for the vacancy that in itself is a big emerging story while President Obama is saying, he will announce candidate for the position. Many political opponents are demanding that the decision be left until the new president has been elected. It will certainly be an interesting story to watch unfold.

Margaret Flinter: And in the meantime health reform is moving forward in many meaningful ways, coverage for about 30 million Americans has been secured under the Affordable Care Act according to most recent numbers. And I think we can say innovation in the healthcare space is reaching a fever pitch, what do you say.

Mark Masselli: I think you are right, and our guest today is overseeing a new kind of health innovation model, recently lauded by the Harvard Business School as one to watch.

Margaret Flinter: Our guest today Joe Randolph, President and CEO of the Innovation Institute, a Southern California based Innovation Lab inventor operation aimed at improving healthcare delivery in this country.

Mark Masselli: Lori Robertson, Managing Editor of FactCheck.org stops by, she is always looking to uncover misstatements spoken about health policy in the public domain, but no matter what the topic, you can hear all of our shows by going to chcradio.com.

Margaret Flinter: And as always if you have comments, please email us at chcradio@chc1.com or find us on Facebook or Twitter @chcradio because we love to hear from you. We will get to our interview with Joe Randolph in just a moment.

Mark Masselli: But first here is our producer, Marianne O'Hare with this week's headline news.

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Marianne O'Hare: I'm Marianne O'Hare with these healthcare headlines. The sleuths of epidemiology are on the case, researchers analyzing the recent outbreak and rapid spread of the zika virus are studying its genetic components to try and understand why a virus has been around for almost 70 years and has always been considered a mild cousin of its other mosquito borne pathogens like malaria and dengue fever. While there is now real concern for connection to major birth defects thousands of babies born to women in Brazil where the outbreak has been most prevalent had been born with serious birth defects including microcephaly. And while world health officials are cautious about laying all the blames for those defects on zika alone, they do warn it poses a serious threat to women who are pregnant or trying to get pregnant and travelling to South and Central America as well as the Caribbean.

Meanwhile with a vaccine at least 18 months away the World Health Organization is considering a number of other methods to combat the spread of zika including genetically modified mosquitoes and bacteria that can thwart the development of mosquito larvae. US health officials are gearing up for warmer months when that type of mosquito that carries the zika virus will be found along gulf coast states predominantly.

More cases of Legionnaires' disease had been reported in Flint, Michigan where the tainted drinking water case continues to unfold, families in the region are being supplied with daily allotments of bottled water and some homes have been outfitted with special filters which removes most of the harmful toxins for bathing and drinking. Investigation into the crisis and who is responsible continues.

Russia is claiming that US is responsible for air strikes on four hospitals in war-torn Syria, the air strikes appear to be intended direct hits on the medical facilities including the children and maternity hospital and one run by Doctors Without Borders. International observers say, it was Russian missiles fired on those health facilities, at least 50 have died in the attacks and thousands of people in the region have been left without any medical facility to treat their sick and wounded.

And Lyme disease has impacted many tens of thousands who have been infected, many of whom go on to develop lifelong symptoms with very few available treatments. Researchers at the Mayo Clinic have uncovered a new agent responsible for Lyme disease, *Borrelia mayonii* is a strain discovered in patients in Minnesota and Wyoming, symptoms differ slightly from the primary Lyme strain first identified in Lyme, Connecticut some decades ago. Currently antibiotic use soon after infection is the only known way to stop the events of the disease. I am Marianne O'Hare with these healthcare headlines.

(Music)

Joe Randolph, Innovation Institute

Mark Masselli: We are speaking today with Joe Randolph, President and CEO of the Innovation Institute, a unique collaboration of nonprofit health systems, representing over a hundred thousand healthcare professionals from across the country, dedicated to accelerating development of technologies to improve healthcare delivery. Prior to launching the institute, Mr. Randolph served as Executive Vice President, Chief Operating Officer and Chief Financial Officer for St. Joseph Health System, a \$5 billion, 16 hospital, multi-state healthcare system. He earned his MBA at Pepperdine University. Joe welcome to Conversations on Healthcare.

Joe Randolph: Thank you, appreciate being on the show.

Mark Masselli: As we go through this real phase of the innovation and there are thousands of entrepreneurs working to launch either new products or develop the new platform that will have a positive impact on the healthcare system. And we have been fortunate to talk with a lot of innovators and entrepreneurs, we had Dr. Topol and Esther Dyson and just recently we had Aneesh Chopra really discussing their approaches to launch inventors in the health industry, could you tell our listeners about the Innovation Institute, and congratulations Harvard Business School recently lauded you as a groundbreaking model to watch, what sets your institute apart?

Joe Randolph: Well, we launched about three years ago. We are a for-profit limited liability company. We are authorized to have seven what we call member owners or investors as health systems. One of the big differences in our model is that it's self-sustaining and so innovation often times from concept to when it gets to market can be several years and so we wanted to set up a model that would be profitable and self-sustaining from the get-go. So the model that we have is somewhat unique, it's set up to be a collaborative and the governance structure that we have is set up to be very nimble so that we could take advantage of market opportunities.

Margaret Flinter: Well Joe so often some of the best innovations come from those within the care delivery system I am betting yourself, some of those at St. Joseph during your time there, from clinicians and other people who work on the frontlines in healthcare, but you make the point that clinicians and the organizations they work for and other healthcare workers often have neither the resources nor the time and maybe not the training to fully develop their idea. So talk with us about how your Innovation Lab offers a different kind of support to the partners that you are affiliated with and how our system helps bridge that resource gap from a very bright idea to a viable market place innovation?

Joe Randolph: Sure. And one the things that I found early on is, the definition of innovation varies from organization to organization, and our model is basically a problem to space model to where we tap into the physicians, clinicians, employees that

are on the frontlines to get their ideas and solutions to problems that they are dealing with and have been dealing with for years, and especially on the nonprofit space most organizations don't have the ability or the resources to assist physicians with taking their ideas to market. And so what we put together is we have on staff PhDs, MDs, MBAs that do the initial evaluation and then take of the ideas, we work with the inventor they get pretty significant rewards for things that are able to go to market. There is no cost to the inventor or to the health system for us evaluating the ideas, we basically, the health systems are owners and we earn our nickel incubate the concepts all the way from idea to commercialization.

And we also have as you said, alliances with like Cleveland Clinic and so while we have expertise on staff, the amount of subject matter experts that we would need to have to evaluate all the possible ideas that could come in from healthcare would require us to have staff of you know hundreds. And so what we do is, we have a strategic alliance agreement with Cleveland Clinic and we can tap into their research arm and also into their peer physicians review groups that have subject matter expertise to help do a deeper evaluation of the concepts.

We have industry partners such as Boston Scientific and Dell and Deloitte and their interest lies in, that they wanted to be able to tap into our portfolio of ideas and co-develop things with us or conversely if they have something that they want you take to market and they want to partner with someone, they can bring that to us and we can bring together physicians from across the country to work with them.

Mark Masselli: You know Joe so many of the world's great innovators celebrate the notion of failing forward, a phrase your organization embraces and yet while failure is critical in innovation it can be catastrophic in the healthcare arena, could you talk about the importance of being able to incubate ideas within the system that allows failure to be part of the path success and how does your Innovation Lab function with failing forward in mind?

Joe Randolph: Within the healthcare, hospitals and health systems they tend to be very risk-averse environments I mean they focus on things like Lean Six Sigma evidence based medicine and standardization. And it's all for a good reason, but when you think about innovation and the culture of innovation, you really need to be able to reward failure and take risk in order to actually, ultimately turn that in break through and find the solution and Edison was the one that said, "I didn't fail 10,000 times, I found 10,000 ways not to make the light bulbs" and I love that comment because I think it's really appropriate.

So we have an environment that's very safe for the inventors. A lot of times they will bring a problem that they are looking for a solution for we will do the review of prior art

and find that there is a solution out there. And the physicians are just as pleased to find that there is a solution to the problem that they are trying to solve than it is, that they are taking their ideas to market. So having a problems-based model and having physicians that are scientists at heart is very rewarding to help them take their ideas to market.

Margaret Flinter: Well Joe certainly since the passage of the Affordable Care Act we have seen a dramatic shift towards the notion of value based care, and this quest for the triple aim of safer care and better quality, better outcomes, lower cost means that the healthcare industry has to recalibrate how it generates the capital to keep running efficiently while also containing cost and improving outcomes, maybe you could talk with us a little bit about why your approach to innovation is so vitally important at this juncture in health industry reform, in one way for creating viable new revenue streams for health systems just thrive in this feature of more value based care.

Joe Randolph: Well in the next 20 years there is going to be more advances in healthcare than there has been in the last 200s. So the change that's coming is not incremental, it's going to be exponential and I think we have not set up our healthcare system to really facilitate innovation. And so having a vehicle like ours that can be a collaborative to bring organizations together to focus on it, I thought was something that was very much needed I think we are in the right spot at the right time, finding solutions from within healthcare, using the providers and the expertise so that people that are dealing with those problems I think it's much better than having it legislated or come from the outside and there is a very great acceptance for the model that we put forth and the providers that we are working with I think is very pleased with our approach.

Mark Masselli: We are speaking today Joe Randolph, President and CEO of the Innovation Institute dedicated to accelerating development of new technologies to improve healthcare delivery. Prior to launching the institute, Mr. Randolph served as Executive Vice President, Chief Operating Officer and CFO for St. Joseph of Health System of \$5 billion, 16 hospital, multi-state healthcare system. Joe you know we also are engaged in research but you have said that truly disruptive innovation requires more out of the box as well as in the box thinking, illuminate for our listeners what you have learned from applying those types of systems while at the helm of a large health organization and what work can be achieved from incubating ideas outside the organization?

Joe Randolph: You know I often times in my previous roles had physicians or clinicians come to me with what I thought were great ideas and because of compliance issues or because the physician was you know big admitter at the hospital there is legal issues with us investing in his idea or concept and so I have always wanted to have a vehicle where we could help these physicians take their ideas to market. And so creating an environment that's safe to where they can bring their ideas I mean it's almost like they

are in a toy store because they are so excited about it and I think healthcare as the organizations grow and they get larger, they get very conservative and very risk-averse. And it's also at a time when, where the Affordable Care Act and budgets getting tighter, it's difficult for organizations to embed innovation within their health system because they look at a very short horizon in terms of the returns. And so what we try to create with our unique business model what we have a portfolio of service companies that we provide to industry and the profits from that then get reinvested into innovation. It allows us to take a longer term view on things you know healthcare with using lien and saying that, I think it works really well in terms of the incremental reductions, the standardizations, patient safety and elimination of errors but it doesn't work well when you are thinking about innovation where you need to take risk.

Margaret Flinter: Well Joe I thought you have made the interesting point that many innovation enterprises are internally led such as at Kaiser Permanente and the Mayo Clinic and specific to their own bottom-line which is little different than replicating these innovations in the broader marketplace, so we would be interested in maybe hearing about your take on the inherent strengths and challenges in your model of collaboration with multiple entities.

Joe Randolph: Lot of the problems that we are dealing with are consistent across organizations. And so having the ability to tap into multiple organizations to look for solutions, I think you are going to come up with better ideas, the more minds you have working on the same problem. And that was some of the philosophy that went into model was that, if we can set this up to be truly a collaborative we can come up with better solutions. And one of the processes that we have set up is called facilitated in innovation where we will take a specific problem state, bring together subject matter experts from across these different systems as well as Cleveland Clinic and spend three days focused session on looking for a commercialization opportunities and solutions to these problems.

Mark Masselli: You know Joe I was looking at a stat that said, over half of the entrepreneur startups fail to make it but we often sort of lament the amount of time it takes to get from the bench to the bedside particularly with the drugs sort of on average up to 17 years and yet we maybe in an important inflection point where technology and big data and other forces can change the pace of success and what kind of breakthroughs are you envisioning will emerge from your research approach? So tell us where you see the greatest potential for growth right now?

Joe Randolph: I am not a scientist. My background is finance so everything is a shiny object to me. But when I get with the scientist and physicians, a lot of times the experts will tell me that it's not that great of an idea but I think that genomics and personalized medicine is going to be a huge area of opportunity. I think brain research, there is still

little really known about the brain and I just read this morning about some work at UCI where they are setting up algorithms that helps somebody that's paralyzed to walk and you know tissue regeneration, Big Data, artificial intelligence all areas that I think have tremendous potential and opportunities. The more that we can bring industry and providers and clinicians together I think the better chance we have of having some huge breakthroughs.

Margaret Flinter: Well Joe we have certainly seen that excitement within our own research institute as Mark noted and just how powerfully and compellingly exciting it is for people in healthcare to make a positive contribution beyond day-to-day care but something that really changes the system. So I guess we would like to ask you before we wrap up, would you like to share with us a couple of the things that you have seen the Innovation Institute receive as the bright ideas and move along or be well along the road to becoming sustainable part of the healthcare system?

Joe Randolph: You know there is several things, I mean it's part of the, the biggest part of my enjoyment from my job, it comes from meeting with these inventors. They are so passionate about finding these solutions and then come to fruition. There is a medical, somebody that was an Olympic hopeful soccer player that had an ankle injury, never was able to get the right kind of treatment, never was able to fulfill his dream, he became a physical therapist at one of the hospitals that we work with, developed this ankle therapy device that we are now, we have patterns on and it's going to market. I think it's probably one of the best devices for ankle injuries that I have seen in terms of the treatment, and so that one is one that I am looking forward to see and how it plays out.

There is another one that a surgeon came up with that's, and sometimes you know it's not the pharma or the big scientific breakthroughs it's just a simple solution that somebody has been dealing with for their career that could make a big difference. And this one is for needles you know they have sharps containers in the patient rooms to get rid of the needles when they give patients shots but in the OR they set them on the tray and often times you know physician or nurse will reach and get that needle stick and this is something that part the syringes and change the needles and count the sutures, it's a device that sits right on the tray and so that's another one that we are so excited about. So those are just couple, but there are several more I could go on for probably half hour to talk about some other things.

Mark Masselli: We have been speaking today with Joe Randolph, President and CEO of the Innovation Institute dedicated to accelerating development of innovation technologies aimed at improving healthcare delivery. You can learn more about their work by going to ii4change.com or follow them on Twitter @ii4change. Joe, thanks so much for joining us on Conversations on Healthcare today.

Joe Randolph: Thank you, I enjoyed it.

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Mark Masselli: At Conversations on Healthcare, we want our audience to be truly in the know when it comes to the facts about healthcare reform and policy. Lori Robertson is an award-winning journalist and managing editor of FactCheck.org, a nonpartisan, nonprofit consumer advocate for voters that aim to reduce the level of deception in US politics. Lori what have you got for us this week?

Lori Robertson: In one of the democratic presidential debates, Hillary Clinton said that the Affordable Care Act had helped more African Americans than any other groups to get insurance, but the Obama administration's own figures show a larger drop in the uninsured among Latinos.

The Department of Health and Human Services released an analysis in late September 2015, saying 17.6 million people had gained health insurance coverage under the ACA. The administration said that figure included three groups: young adults who were able to stay on their parents' policies until age 26, those who signed up for the Medicaid expansion and those who gained coverage through the state and federal insurance marketplaces.

The rate of uninsured African American adults dropped by 10.3 percentage points, a greater decline than among whites but not as much as the rate drop for Latinos. Between October 2013 and September 12, 2015 four million Latino adults gained coverage, a drop in the rate of uninsured of 11.5 percentage points. For African Americans 2.6 million people gained coverage, a 10.3 percentage point drop in the uninsured and for white adults 7.4 million gained insurance, a 6 percentage points drop in the uninsured.

A December 2014 Urban Institute report projected the ACA could "substantially narrow differences in un-insurance rates between whites and all racial/ethnic minorities except blacks" why, because blacks disproportionately live in states that did not expand Medicaid. Overall, a larger percentage of the Latino population is still uninsured 30.3% among African Americans 12.1% are uninsured and among white Americans 8.3% are uninsured. And that's my fact check for this week, I am Lori Robertson, Managing Editor of FactCheck.org.

Margaret Flinter: FactCheck.org is committed to factual accuracy from the country's major political players and is a project of the Annenberg Public Policy Center at the University of Pennsylvania. If you have a fact, that you would like checked, email us at www.chcradio.com. We will have FactCheck.org's Lori Robertson check it out for you here on Conversations on Healthcare.

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Mark Masselli: Each week Conversations highlights a bright idea about how to make wellness a part of our communities and everyday lives. Clubfoot is one of the most common childhood deformities in the world, a condition that in the past was not correctable without the intervention of expensive and invasive surgeries, in low resource parts of the world access was nearly impossible and as a result clubfoot is the leading cause of disability in the developing world.

Chesca Colloredo-Mansfeld: The effects on the child are devastating. It also has an incredible impact on the mom. These kids have to be taken care of and often the mother is blamed for having a child with any kind of a problem.

Mark Masselli: But a breakthrough treatment called the Ponseti method has changed all of that. Chesca Colloredo-Mansfeld was an employee at the University of Iowa where this new non-invasive inexpensive intervention was developed which corrected the problem in a series of months often before a child even begins to walk.

Chesca Colloredo-Mansfeld: The health care provider gently manipulates the tendons and ligaments in the foot and move the foot about 10 to 15 degrees and then places the feet in a long leg plaster of Paris cast, that cast is on for one week and then they repeat the process and they just gradually move the feet.

Mark Masselli: She and her colleagues founded miraclefeet, a nonprofit organization that identifies children throughout the world who can be treated for about \$250 per child, a tiny fraction of what the surgery would cost. Today miraclefeet supports over a hundred clinics through partnerships in 12 different countries. Already having given thousands of children in the developing world the chance to walk, run, play and to grow into productive adults. miraclefeet has earned numerous awards for its innovative treatment design and its ability to be easily deployed in low resource settings.

Chesca Colloredo-Mansfeld: We came up with a brace that the shoes clip on and off, it's adjustable, the angles are fixed, so there is no problem with the medical efficacy of it, and we can produce it for \$20.

Mark Masselli: miraclefeet, providing a low cost treatment for children born with clubfoot around the world, giving them a chance to live active and fully productive lives, now that's a bright idea.

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Margaret Flinter: This is Conversations on Healthcare, I am Margaret Flinter.

Joe Randolph, Innovation Institute

Mark Masselli: And I am Mark Masselli, peace and health.

Conversations on Healthcare, broadcast from the campus of WESU at Wesleyan University, streaming live at www.wesufm.org and brought to you by the Community Health Center.