



VIRTUAL EXECUTIVE ASSEMBLY BRIEF

Technology Driven Innovation

Presented by Rahul Dubey

Senior Vice President, Innovation and Solutions

American Health Insurance Plans (AHIP)

INTRODUCTION

On April 4th, Growth Innovation Leadership Council member Rahul Dubey presented a Virtual Executive Assembly (VEA) on *Technology Driven Innovation*, one of the council's key Critical Issues for 2018. Dubey, Senior Vice President, Innovation and Solutions, America's Health Insurance Plans (AHIP), provided very robust content, context and commentary as he shared best practices and lessons learned since founding the AHIP Innovation Lab 4 years ago.

As the Senior Vice President, Chief Innovation Officer at AHIP, a non-profit, high-profile trade association, Rahul's focus is on the healthcare industry. However, the complex lessons on technology driven innovation, applications and pitfalls his stakeholder members face driving change can be applied almost universally and provide real value across many industries.

DEFINING INNOVATION

The VEA opened with introductions from the broad cross section of Growth Innovation Leadership Council members in virtual attendance. Participants were asked to identify themselves and share how their organization defined innovation and whether the reality of their company's practice of innovation aligned desired outcomes and ensured the success of their digital transformation strategy.

Answers to the first question, “Innovation is” included:

- ✓ Taking an idea and putting it into practice...something that customers will pay for
- ✓ Solving hard problems that customers can't!
- ✓ Integrating market insights with technological capabilities
- ✓ Combining technology with business model innovation
- ✓ Internal innovation to drive efficiencies and grow the margin

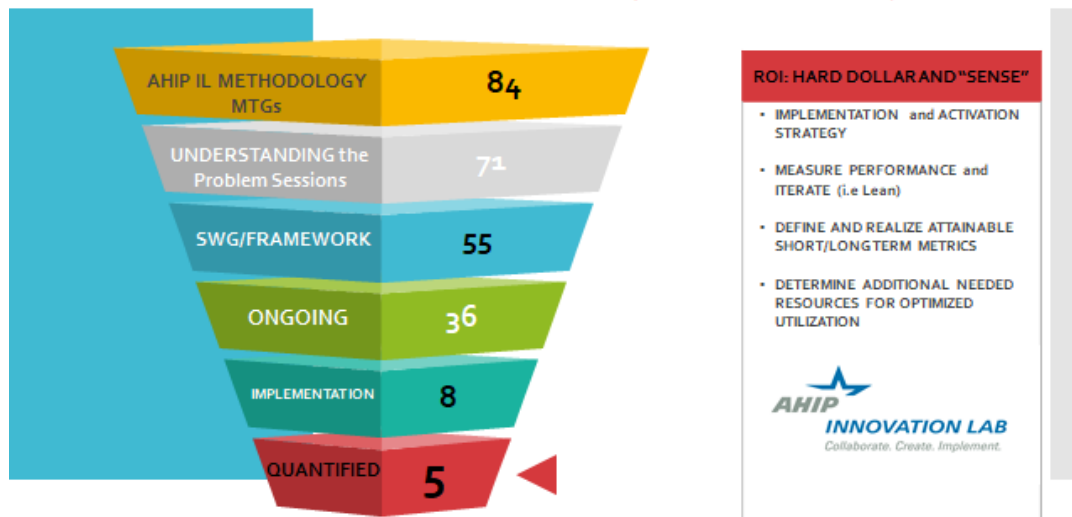
As for the second question, most participants did not have a clearly defined answer and admitted that they were still on a steep “learning curve” when it came to combining innovation, best practices and digital transformation successfully.

HEALTHCARE LEADING THE WAY IN TRANSFORMATION

As Rahul began his presentation, he shared that he's witnessed the success of the AHIP Innovation Lab's mission of addressing and solving for individual stakeholders self-reported pressing challenges, through collaborative innovation methods with C-suite execs representing multiple stakeholders, to develop, implement and optimize viable healthcare solutions. The transformation taking place in healthcare is systemic and represents perhaps the largest potential business transformation in two generations. He posited the idea that rapid adoption of healthcare transformation will lead the way for other companies in the current era of healthcare (digital) transformation. These organizations will emerge as additional collaborative partners to build our next, sustainable, delivery system.

Rahul cited the importance of looking at key players in the value chain when commencing the innovation process, including both internal and external stakeholders. He underscored the importance of staying outcome-focused when leading transformation. He also noted the very different frameworks needed for short term innovation (12-18 months) versus long term innovation (3-5 years).

OUTCOMES DRIVEN INNOVATION (JTBD and PTBS)



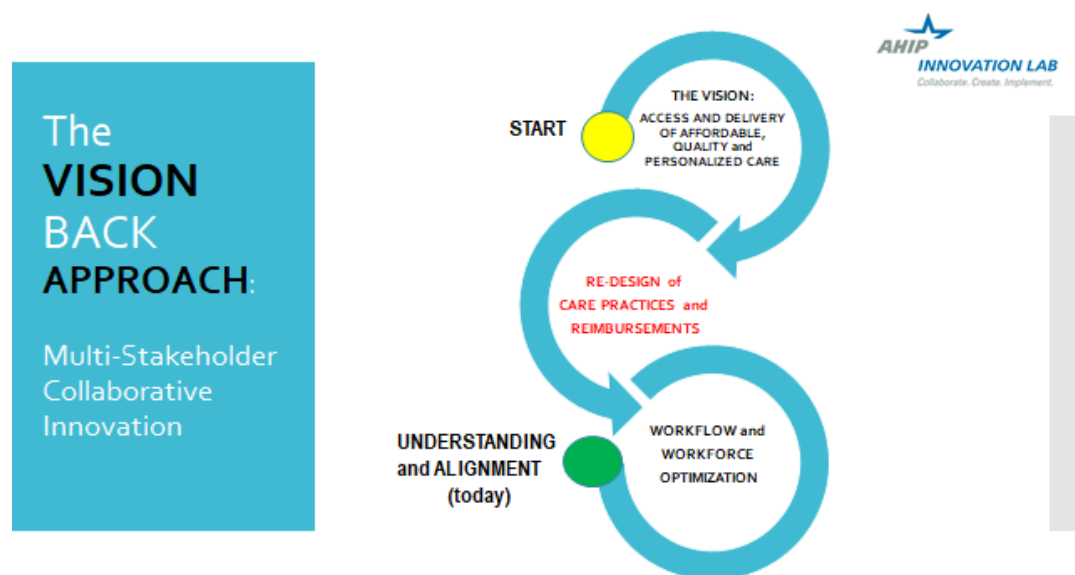
Rahul stressed the ever-important need to define business value, first across your organization and then across the entire ecosystem. He referenced the well-known business adage about solving for “what keeps you up at night” but suggested that successful strategies need to go well beyond this approach. He also noted the importance of leveraging insights and feedback from a diverse group of stakeholders, but not necessarily a large group or one representing only a single stakeholder or similar domain experts.

IMPLEMENTING THE “VISION-BACK” APPROACH

Rahul shared that while working with his members, he often took a Socratic approach, and focused on formulating key, driving questions above all else. As the slide below illustrates, another successful strategy practiced at his organization is called the “Vision-Back” approach. In his case, The Vision Back approach entails asking: “Who do we want to be?” Who do we want to serve and how will we serve them? Specifically, what is the vision of what healthcare needs to be, from coverage to provider networks? Similar to other visionary entities in the healthcare industry, the AHIP Innovation Lab, Payers and Providers continue to gain more insights as they move towards becoming organizations driven by health and well-being and focused on access, experience and cost. They

recognize that an outcomes- driven methodology can be limiting due to the associative barriers that method can foster in an organization and the cognitive bias it can, unintentionally, fortify with individuals.

Rahul reminded participants across industries not to limit their organization's goals and vision to current available tools. Rather, he recommended starting with the consumer (or customer) and working backwards. Then expand the organizational vision back across multiple stakeholders. Speaking about the healthcare industry, he shared that many challenges revolved around the lack of trust and understanding that are foundational for good relationships and collaboration. This is a challenge when an industry's immediate past was one made up of fragmented siloes; but Rahul was quick to admit that these challenges are not unique to healthcare. Unfortunately, they are often present in many other industries, too.



As stated, when it comes to working collaboratively, it's so important to ask: "Who's at the table?" "What's important to them?" And ultimately, "How do we need to adjust the business model to sustain change and innovation?" After this first conceptual phase come the specifics, i.e., what to build or rebuild? What to leave alone? Where are the gaps?

BEST IN CLASS CARE PLATFORM

Rahul briefly showed a multi-stakeholder quantified approach and digital solution created and launched through the AHIP Innovation Lab, called Best in Class Care (the business model was inspired by Priceline). Consumers/patients in certain U.S. regions can use the online platform for healthcare purchasing and to create and manage their own bundle of care. Specifically, they can select a healthcare provider, location for care, and an overall price. They can work from a total overall price or select from fixed prices and have complete 24/7 care concierge pre/during/post-procedure and/or total care delivery. In either case, they can self-manage care that is high-quality, efficient and affordable, at a price that is 70% lower than average overall cost of procedure in that specific region of the U.S.

Rahul indicated that the product has been successful since launching in January 2017 and has helped to decrease overall annual healthcare spending by 3% for his health plan and the people they have the privilege to serve.

The screenshot displays the Best in Class Care web application. The header includes the logo, a phone number (+1 844-684-BEST (2378)), a LIVE CHAT button, and navigation links for Home and Support. A user is logged in as 'Hello [Name] My Account' with a Sign Out button.

The main section is titled 'Build your package to compare cost savings' and consists of three steps:

- 1 Provider and Procedure Date:** Shows a provider 'Maximilian Andrew Greig' and a timeline: ARRIVAL Feb 21st, 2017, PROCEDURE Feb 23rd, 2017, and DEPARTURE Feb 28th, 2017.
- 2 Your Travel:** Shows a flight from Minneapolis, MN (MSP) to Puerto Vallarta, (PVR) on Feb 19, 2017, for 2 people. There is an 'ADD TRIP' button.
- 3 Your Accommodations:** Shows a stay at 'The Westin Resort & Spa, Puerto Vallarta' from Feb 19, 2017 to Mar 1, 2017, for 1 Room and 2 Guests. There is an 'ADD ACCOMMODATION' button.

On the right side, there is a summary section for 'Rotator Cuff Surgery' from 2/19/2017 to 3/1/2017 at 'CMQ Premiere Hospital' in Puerto Vallarta, Jalisco, Mexico. Below this is a 'YOUR SAVINGS CALCULATOR' table:

YOUR PLAN PAYS		\$14,000.00
Procedure	Rotator Cuff Surgery	From: \$5,300.00
Travel Total		\$1,198.62
Accommodation Total		\$2,520.60
YOUR PACKAGE COSTS		\$9,019.22
YOU KEEP		\$4,980.78

At the bottom right, there are buttons for 'SAVE PACKAGE' and 'REQUEST CONSULT'.

OPTIMIZING OUTCOMES

Rahul expressed well-earned pride in meeting the original stated need of serving member's vast and different healthcare requirements by providing a physician's network that optimized outcomes, provided access to quality providers and met fiduciary requirements as well.

Citing an emerging practice from the AHIP Innovation Lab and Best in Class Care, he stressed how important it was to for them to measure other metrics (engagement, repeat users, procedure design, waiting in queue etc.) and how they would intentionally broadcast these metrics, with frequency, until they had quantified utilization with hard dollar ROI. Best in Class Care was able to deliver this within the first nine months of launching.

Communicating the innovation's progress, on an ongoing basis, leveraging, repeating and scaling successful innovation models and reminding collaborative partners, both internally and externally, that there really is "no finish line" when it comes to innovation and overall transformation, is an ongoing process. In closing, Rahul stressed, "Every business model and product has a limited shelf life...every single one. That's why we are constantly exploring, trying, tweaking and validating the work we do and the innovations we introduce to the world."

5th May 2018