

CAN HEALTH NETWORK'S 1ST ANNUAL GENERAL MEETING

Improving Innovation Performance – *Why We Should Care About our Performance on Innovation and how to Establish The Right Conditions for Capturing Innovation*

Oct 2020





LISA PURDY

Partner, Deloitte

Lisa leads Deloitte's National Health and Social Services Practice and works with provincial government and BPS clients across the country. For twenty years Lisa has worked with individual providers, regional systems, and policy makers in addressing their strategy, governance, operations, and technology solution requirements.



MICHELLE SCHMALENBERG

Executive Director of Strategy and Innovation, Saskatchewan Health Authority

Michelle is the Executive Director of Strategy and Innovation and joins the Saskatchewan Health Authority (SHA) from the Ministry of Health. As part of the SHA's leadership team, Michelle brings a collaborative leadership style, a strategic focus and an ability to see the big picture. Through collaboration and engagement, Michelle and her team will work cross functionally as strategic integrators to provide leadership and support on a number of transformational initiatives across many portfolios. Michelle is committed to playing her part in achieving a high performing health system for the benefit of the patients and families we collectively serve.



GARY RYAN

Executive Lead, CAN Health

Gary is the Executive Lead for the CAN Health Network working at the Lead Organization office at Trillium Health Partners. Prior to this current position Gary was the Chief Innovation Officer at Southlake Regional Health Centre from 2013 until 2018. In that role he led Southlake's Research/Innovation Department in finding and testing new healthcare technologies at CreateItNow, Southlake's health care incubator.

OBJECTIVES FOR THIS BREAKOUT SESSION



1

Participants will leave with an **in-depth knowledge** of the power and potential of Improving Innovation Performance



2

Participants will **learn from case study examples** to inform their own approaches to overcome barriers



3

Participants will have a chance to **ask questions and engage with SMEs**

Energizer!

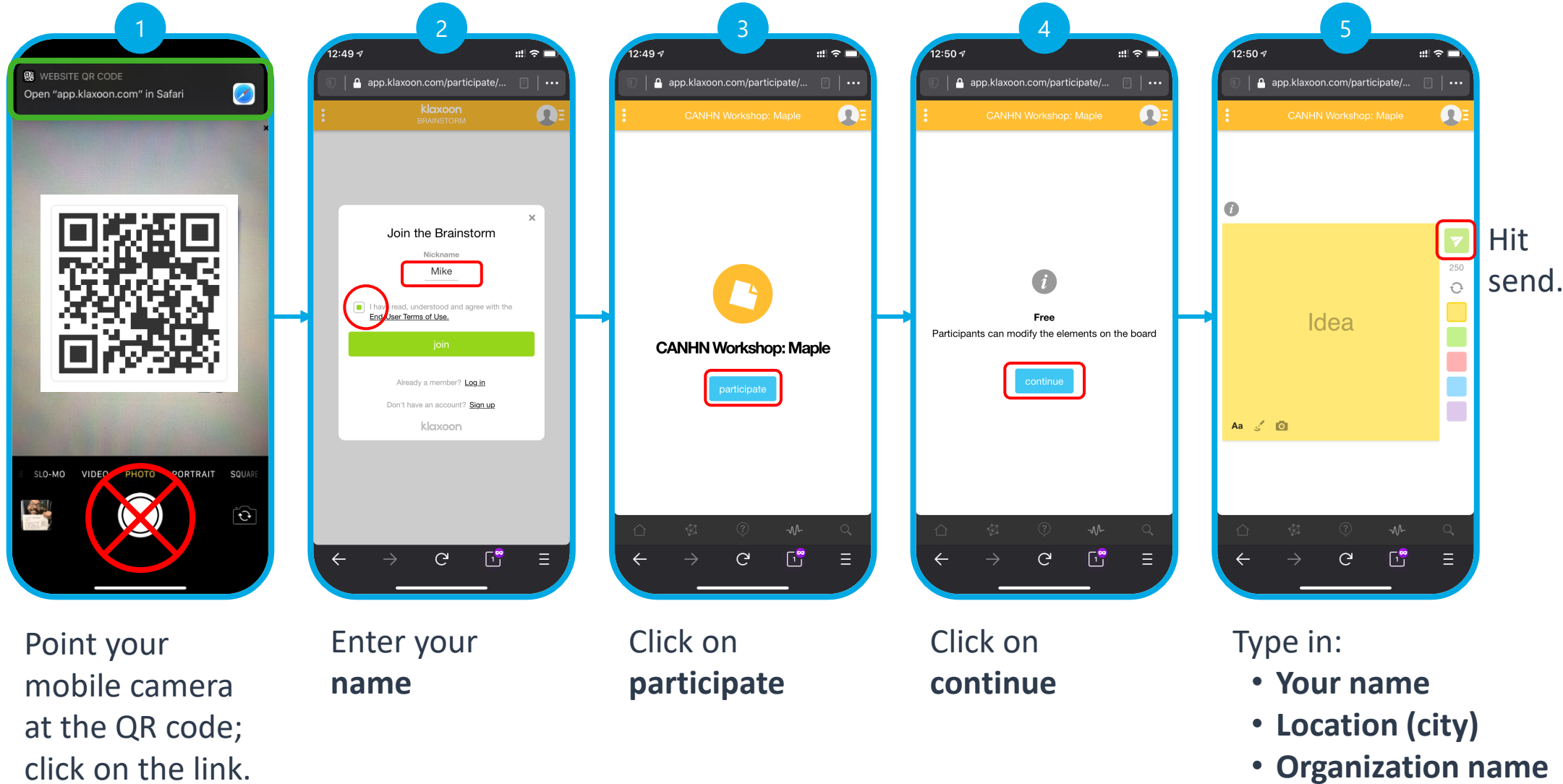


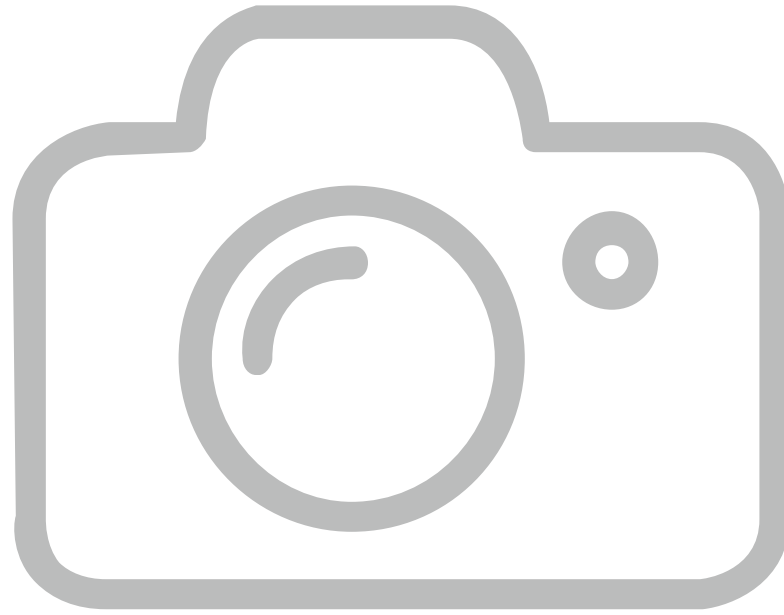
ENERGIZER: WHERE ARE YOU?

SCAN ME!



[https://
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Group Photo

Improving Innovation Performance: Why We Should Care About our Performance on Innovation



WHY DOES HEALTHCARE NEED TO BE INNOVATIVE?

The *Unleashing Innovation: Excellent Healthcare for Canada* (Dr. David Naylor et. al, 2015) report emphasizes that healthcare must be innovative to overcome barriers faced by the system today.



Increasing Costs

In 2019, total health expenditure in Canada was expected to reach \$264 billion, or \$7,068 per person. It is anticipated that, overall, health spending represented 11.6% of Canada's gross domestic product (GDP)¹. These projections spark debate about how much society should spend on healthcare and how to improve value for money.



Aging Population

Canada's aging population will intensify the pressures for innovation. More patients with chronic disease will expect to be partners in their own care. Care will need to be accessible at home (e.g., through virtual care and self-management) so that more seniors can live independently in supportive environments.



Access and Wait Times

Access to healthcare has been an ongoing public concern for the past two decades within Canada. Only 22% of Canadian primary care doctors say their patients can get an appointment the same or next day they call (compared to 38% in Australia and 55% in the UK)². With forced innovation in care delivery models due to COVID-19, accessibility has changed considerably in the past few months, in both positive and negative directions depending on the patient/provider context.



Patient Outcomes

Innovation is required in healthcare to improve patient outcomes. Evidence indicates that where patients and families are actively engaged in their health, patient outcomes, experience of care and economic outcomes can be substantially improved.

1. Canadian Institute for Health Information (CIHI). Health Spending. 2019.

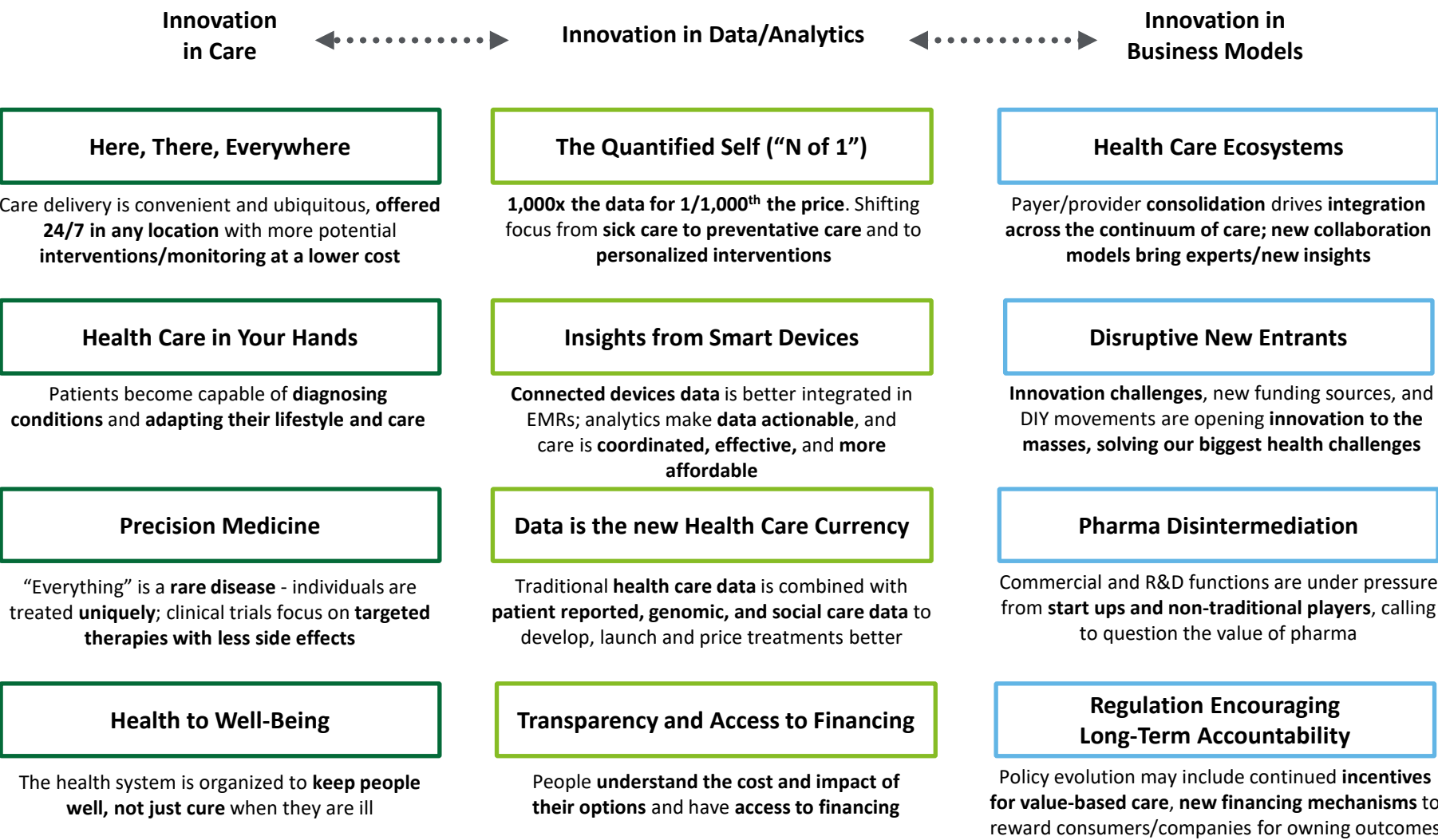
2. Unleashing Innovation: Excellent Healthcare for Canada (Dr. David Naylor et. al, 2015)

WHERE CAN WE INNOVATE IN HEALTHCARE?

Health Innovation

“Identifies new or improved health policies, systems, products and technologies, and services and delivery methods that improve people’s health and wellbeing.”¹

- World Health Organization



1. <https://www.who.int/topics/innovation/en/#:~:text=Health%20innovation%20responds%20to%20unmet,%2C%20safety%20and%20For%20affordability>.

DRIVING INNOVATION THROUGH PROCUREMENT

“

Innovation procurement involves the development of innovations and/or the purchasing of existing innovative products or services to improve the performance and functionality of public services and to solve important socio-economic challenge

– Conference Board of Canada

”

WHAT ARE THE BARRIERS TO IMPROVING INNOVATIVE PERFORMANCE?

The OECD Public Governance Reviews published the *Public Procurement for Innovation Report (2017)* highlighting the following barriers to improving innovative performance:



Financial Support

Innovation is often the outcome of a cost intensive process. Sufficient resources are important for all organizations involved in undertaking the procurement for innovation process.



Risk Aversion

Challenges related to risk are a common obstacle for implementing effective procurement for innovation. This could be related to issues of capacity and organizational culture.



Political Support

The existence of a national procurement for innovation action plan can be regarded as a baseline condition for applying new procurement schemes. Policy development and strong political will is needed to develop a clear policy framework.



Capacity

Challenges related to capacity pertain to the lack of knowledge, personnel, and skills which can hinder procurement for innovation because it requires a strategic approach that goes beyond simple decision making. Robust data is crucial for evaluating strategies and improving the ROI as well as its impacts.



Regulations

Legal provisions can provide obstacles to procurement through innovation where specific regulations guiding procurement for innovation may not be defined.

HOW DO WE OVERCOME BARRIERS?

The OECD has developed a framework to support countries in their use of public procurement for innovation:

- 1 Embed policy strategies with defined targets with any national, sub-national and regional innovation policy. This aims to secure strong political commitment.
- 2 Set up a legal framework, including understandable definitions, guidelines and templates to facilitate its implementation
- 3 Designate transformation leaders with specialized knowledge to create skilled multi-disciplinary teams, as so to encourage sound management
- 4 Dedicate sufficient budgets, funds, and other financial incentives as lack of financial support is one of the main challenges in procurement for innovation
- 5 Promote professionalization by providing specific training to build staff capabilities and skills, setting up multi-disciplinary teams
- 6 Raise awareness by publishing good practice cases
- 7 Undertake risk management and measure impact to reduce possible loss and increase trust
- 8 Define test standards, methods and quality certificates using standardization as a catalyst for innovation
- 9 Use appropriate e-procurement and information technology to carry out a proper risk assessment to measure impact

Innovation in Practice: Case Study – Robotic Ultrasounds In Northern Saskatchewan



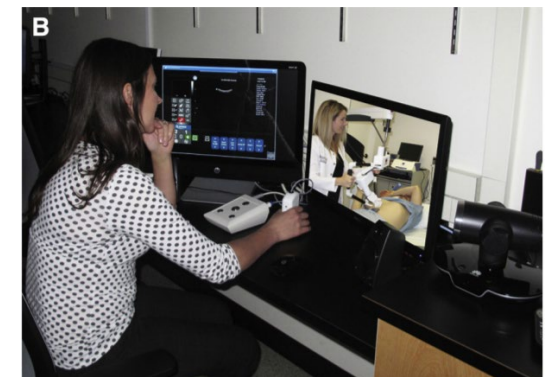
CASE STUDY – SASKATCHEWAN HEALTH AUTHORITY

A **Provincial Health Authority** is established to coordinate health services across the province to ensure patients receive high quality, timely health care. The Saskatchewan Health Authority (SHA) aims to provide a consistent and coordinated provincial approach to plan and deliver health-care services.

ROBOTIC ULTRASOUNDS IN NORTHERN SASKATCHEWAN

A Saskatchewan (SK) research team worked with the SHA to test a **novel tele-robotic ultrasound technology** that allows prenatal ultrasounds to be done remotely at a local health care facility in Northern SK.

- A ward clerk holds a special frame and a sonographer in Saskatoon remotely controls the ultrasound probe and checks on the baby's progress
 - The process takes about 20 minutes
- 97% of patients that provided feedback were thankful and happy to receive this service in their home community



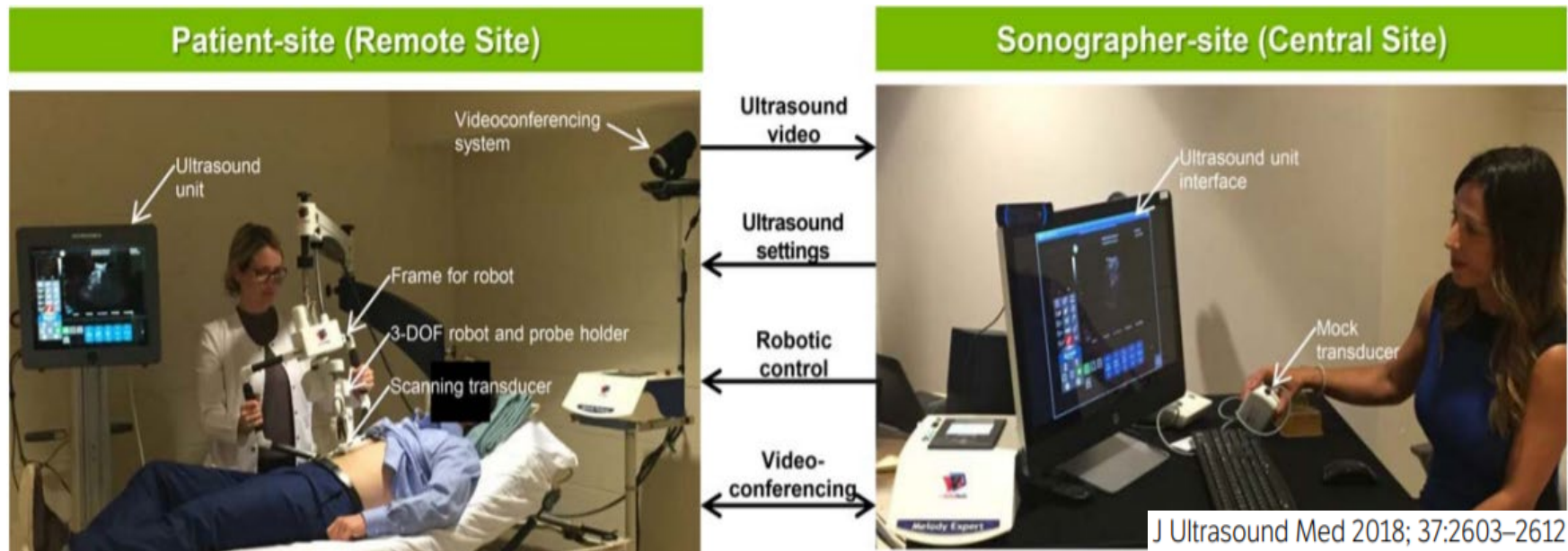
S. J. Adams et al. / Canadian Association of Radiologists Journal 68 (2017) 308–314



DISCUSSION: What does scale and spread look like in your organization? What barriers do you face?

OUTCOMES DELIVERED

- ✓ Reduced expensive multi-day trips into a secondary or tertiary centre to receive this service for mothers in some Northern communities
- ✓ A commitment to continuous improvement for innovation within health care



Innovation Through Procurement in Practice: Case Study – Southlake Regional Health Centre



Outcome-based Cardiac Device Procurement

Southlake Regional Health Centre, Ontario



OPPORTUNITY
IDENTIFIED

WHY INNOVATIVE PROCUREMENT IN THE CARDIAC PROGRAM?

- Innovative Program
- Almost all contracts expiring at the same time so needed a full procurement process
- High Spend (\$25M in supplies-about 8% of the total hospital spend)
- So a large procurement opportunity



FOUNDATION FOR
INNOVATIVE
PROCUREMENT

INNOVATIVE PROCUREMENT IN ACTION

- Cardiac Procurement (RFP)
- Outcome based – total value
- Competitive Dialogue
- Multi million spend (\$25M/Year)
- Outcomes Focus
- Stakeholder Input
- Value (Not Price Only) is Target



IMPACT

CARDIAC PROJECT RESULTS AND BEYOND

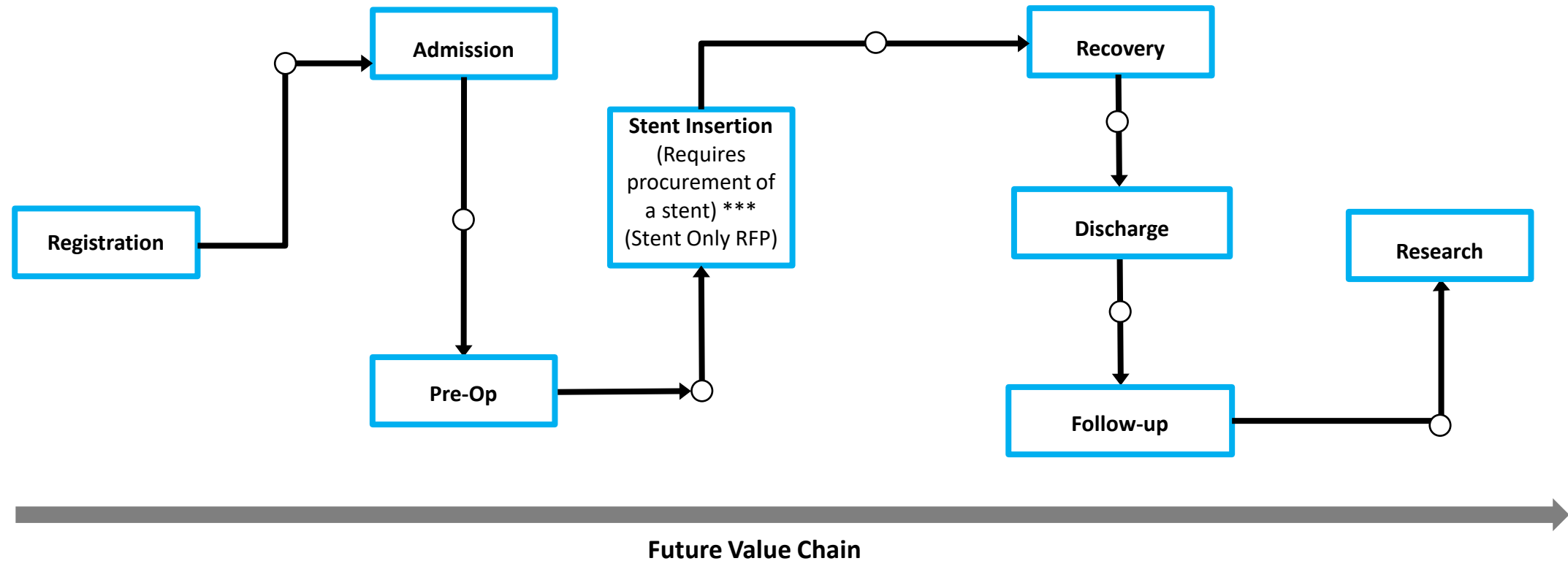
- Cost Savings, Value-Adds, Accountability Framework
- Many Positive Aspects Beyond Results

CASE STUDY – INNOVATIVE PROCUREMENT

Outcome-based Cardiac Device Procurement

Southlake Regional Health Centre, Ontario

THE CARDIAC PATIENT JOURNEY WITH A SUPPLY ITEM

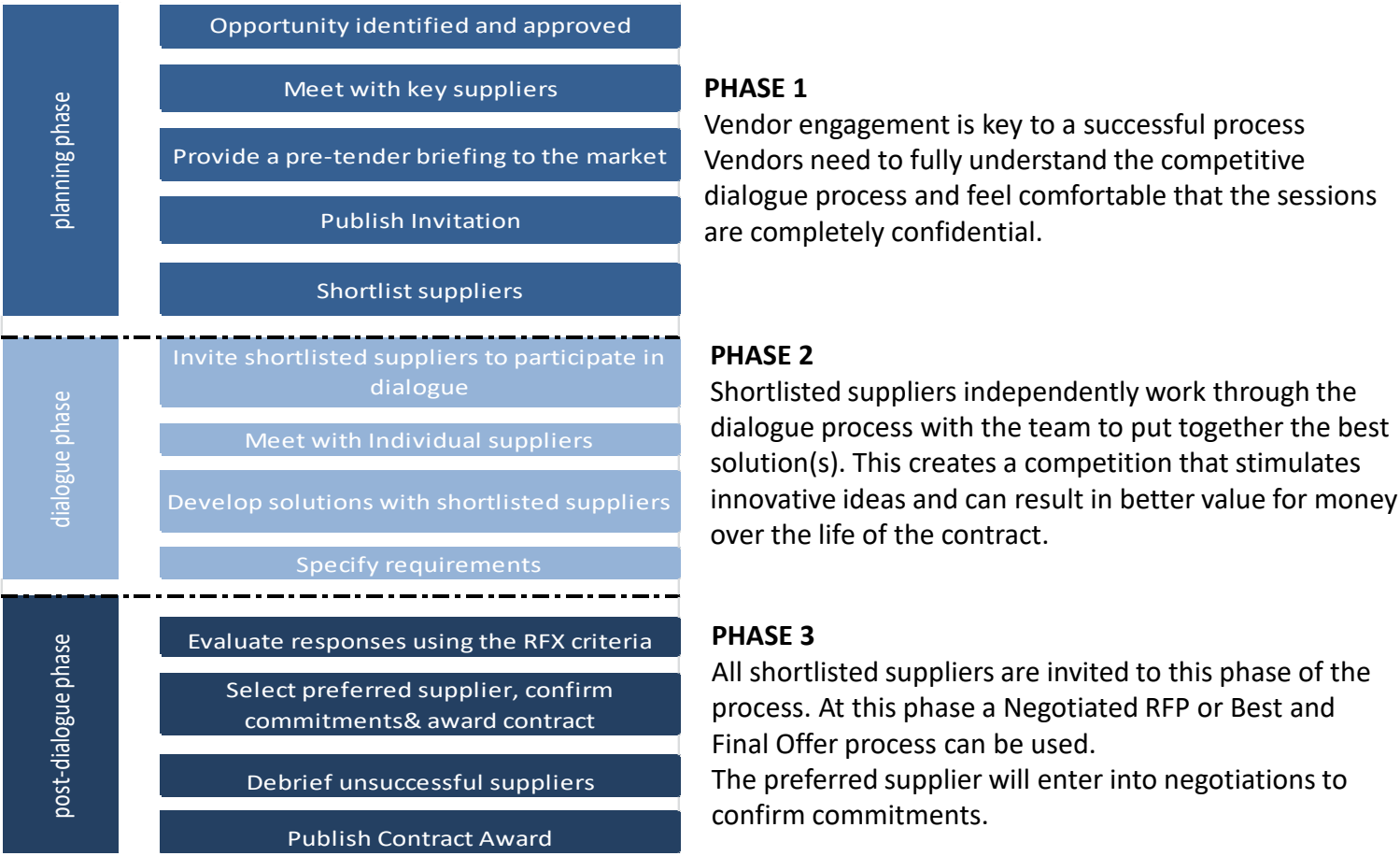


Outcome-based Cardiac Device Procurement *Southlake Regional Health Centre, Ontario*

METHODOLOGY

Competitive Dialogue, a term for a process that allows more flexibility with complex or unusual procurement. This process allows organizations to thoroughly discuss each aspect of the procurement with the suppliers before specifying the requirements and before inviting the suppliers to submit full and final tenders or proposals.

New Zealand Methodology Chosen...

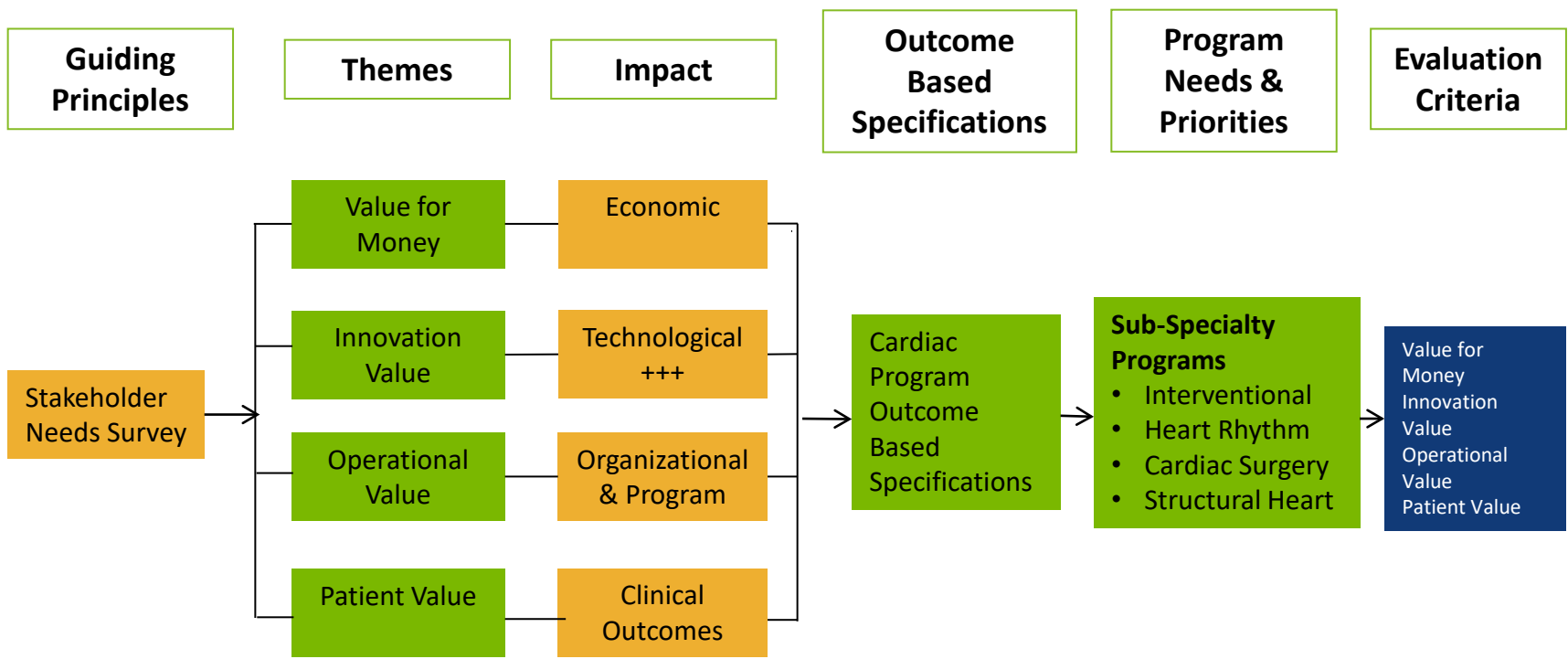


 **DISCUSSION:** What are the benefits of adopting the New Zealand Methodology of engaging in competitive dialogue?

CASE STUDY – INNOVATIVE PROCUREMENT

Outcome-based Cardiac Device Procurement *Southlake Regional Health Centre, Ontario*

OUTCOME-BASED SPECIFICATIONS DEVELOPMENT



Cardiac Procurement OBS to define Value:




- Value for Money and Economic Outcomes (Eg. Improved Clinical Workflows)
- Patient Value Outcomes (Eg. Readmission Rate)
- Innovation Value and Technological Outcomes (Eg. Research Studies)
- Operational Value and Organizational Outcomes (Reduced Length of Stay)

Outcome-based Cardiac Device Procurement *Southlake Regional Health Centre, Ontario*






Southlake's End Goal -

“Innovative Procurement will represent a consistent % of our annual spend for supplies and services.”

Cardiac Project Results

-  Cost Savings (**35%** Average Savings)
-  Value-Adds (**4%** Addition Value Minimum; Some Value-Adds Still to be Quantified)
-  Accountability Framework (Warranty Patient Outcome, e.g., Readmission Rate)

Many Positive Aspects Beyond Results

-  Lots of Physician Engagement (Stakeholder Input, Vendor Meetings, Evaluation Input)
-  Direct Vendor Dialogue under NDA
-  More Focus on Alignment with Outcomes
-  Higher Clarity Prior to Final Offer
-  Expanded Buyer / Vendor Options

 **DISCUSSION:** How can we apply the lessons learned from Southlake to the challenges facing your organizations today?

Q&A





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