The Health Care Innovation Challenge: An Opportunity for Business Intelligence to Shine

By Dr. Ramon Barquin

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At the precise time this article appears in the BeyeNETWORK, there will probably be thousands of private companies, academic institutions, clinical labs, foundations, non-profits and individual entrepreneurs busily writing to meet the January 27, 2012 deadline for submissions to the national Health Care Innovation Challenge. Administered by the Center for Medicare and Medicaid Innovation [Innovation Center], this program is one of the most interesting and exciting attempts to move the health care ball forward that we have seen in decades.

Furthermore, almost anywhere you turn in the guidelines for submission there are clear indications that business intelligence and analytics are expected to play a very important part.

What makes the Challenge different and exciting? Three things:

- The amount of money to be distributed is rather large
- The speed of the Challenge is virtually unprecedented
- The focus is clear: better health, improved care and lower costs

The plan is to award up to $1 billion in grants of between $1 million and $30 million. Each grant is expected to be funded for a three-year period and the Innovation Center has indicated that there is funding for up to two cycles.

While the focus is on better health, improved care and lower costs, it is also seen as an opportunity to help the economy by creating jobs quickly. Hence, CMS is moving extremely fast. Consider the following timetable: The program was announced on November 14, a mandatory letter of intent was due on December 19, the deadline for submitting the actual applications is January 27, 2012 and they anticipate announcing winners by March 30.

There might be an extension or a delay, but for the federal government this timeline is extremely expeditious.

To BI practitioners, however, it is the scope of the Challenge that gets the juices flowing.

The targeted populations are Medicare, Medicaid or CHIP (Children’s Health Insurance Program) enrollees. The reason is obvious, particularly when we consider how our country's population is aging. As we well know, “seniors” grew from 3 million to 35 million last century,
and this is nothing compared to the anticipated future growth of our elderly population. By 2030, seniors should surpass 70 million (almost 20% of the nation’s total population) and the “oldest old” (85 years and older) will grow from 4.1 million in 2000 to nearly 21 million in 2050. This means added costs since approximately one quarter of Medicare dollars is spent in the last year of patients’ lives.

We need innovation precisely because of costs. The jury is still out on what the overall impact of the new health care legislation is going to be and no one knows exactly how much it’s going to cost us. But the dollars being spent on health care in general are just scary. By some estimates it is about 18% of the total economy and about half of it corresponds to government programs such as Medicare and Medicaid. Going forward, some experts warn that that we will be spending over $30 trillion on health care later this century if costs increase at their historical rate.

So let’s go back to the Challenge and finding ways to deliver better health care at lower costs. The objectives of the initiative, taken directly from the Innovation Center website, are to:

1. Engage a broad set of innovation partners to identify and test new care delivery and payment models that originate in the field and that produce better care, better health, and reduced cost through improvement for identified target populations.
2. Identify new models of workforce development and deployment and related training and education that support new models either directly or through new infrastructure activities.
3. Support innovators who can rapidly deploy care improvement models (within six months of award) through new ventures or expansion of existing efforts to new populations of patients, in conjunction (where possible) with other public and private sector partners.

In describing what the initiative is about, the Innovation Center is very direct in stating that “A delivery system that improves health, quality, and lowers costs will also require new knowledge transfer and information technology infrastructure.” It is through many of these “infrastructure” project areas that business intelligence is clearly required. Examples of infrastructure support mentioned include “models that test the broad implementation of registries; data intermediaries for quality reporting and information sharing to support coordination of care; community-based care coordinating organizations; transparency initiatives; preventive care models; telemedicine and remote monitoring models; medication reconciliation systems; and shared-decision making systems.”

The evaluation criteria refers to “better care quality metrics” and encourages business intelligence by stating: “Measures should be collected and analyzed on an on-going basis, and enabled where possible by health IT such as certified electronic health records, registries, data analytics and electronic reporting mechanisms.”

The Innovation Center has made it clear that everyone is welcome. The eligibility section lists “provider groups, health systems, payers and other private sector organizations, faith-based organizations, local governments, and public-private partnerships and for-profit organizations…certain organizations could be eligible to apply as conveners – assembling and coordinating the efforts of a group of participants.” To be considered, all you really need to have...
is a good idea.

Come one, come all. It is a time for moving swiftly and taking advantage of the opportunities to apply business intelligence and analytics to this very ripe area of health care delivery. The Challenge awaits us.

About the Author

Dr. Barquin is the President of Barquin International, a consulting firm, since 1994. He specializes in developing information systems strategies, particularly data warehousing, customer relationship management, business intelligence and knowledge management, for public and private sector enterprises. He has consulted for the U.S. Military, many government agencies and international governments and corporations.

Dr. Barquin is a member of the E-Gov (Electronic Government) Advisory Board, and chair of its knowledge management conference series; member of the Digital Government Institute Advisory Board; and has been the Program Chair for E-Government and Knowledge Management programs at the Brookings Institution. He was also the co-founder and first president of The Data Warehousing Institute, and president of the Computer Ethics Institute. His PhD is from MIT. Dr. Barquin can be reached at rbarquin@barquin.com.