



Professional

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EXPERT Q&A with CLAYTON M. CHRISTENSEN, JEROME GROSSMAN and JASON HWANG

THE INNOVATOR'S PRESCRIPTION co-authors discuss how disruptive innovation will transform the nation's health care system.

Q: *THE INNOVATOR'S PRESCRIPTION examines the health care system through the famous theory of disruptive innovation. Can you describe the basic concept behind the theory?*

A: A disruptive innovation is a technology that brings a much more affordable product or service that is much simpler to use into a market. It allows a whole new population of consumers access to a product or service that was historically only accessible to consumers with a lot of money or a lot of skill.

Q: *Disruptive innovation usually applies to business. How does it apply to health care?*

A: In the current system, health care is neither accessible nor affordable. The uninsured or underinsured, for example, cannot always pay for the care they need. Meanwhile, some procedures are so complicated and expensive that only a few doctors or hospitals offer them and only a select group of patients have access to them. Finally, because the delivery of health care is largely stuck within business models that don't fit the realities of medicine today (such as general hospitals and physician practices), many relatively routine procedures cost far more than is necessary.

In **THE INNOVATOR'S PRESCRIPTION**, we describe disruptive innovations are occurring today that will lower costs and improve the quality of health care in the long run.

Q: *What do you see as the major problems in the current health care system?*

A: More and more Americans cannot afford good health care. Our nation's health care system is, by far, the world's most expensive. As a result, the burden of providing health care to employees and their families is forcing U.S. companies to become uncompetitive in world markets. Disruptive innovation is the lone force with the potential to transform the nation's healthcare system in its entirety into one that effectively cares for all Americans by making medical care both accessible and affordable.

Q: How will disruptive innovation address these problems crippling the health care system?

A: Even today, disruptive medical technologies are improving our ability to precisely diagnose and treat the root causes of disease and fueling the transition from “intuitive medicine” to “precision medicine.” For example, diabetics used to have to visit a doctor on a frequent basis to check their glucose levels, but technological innovations have resulted in the development of home glucose meters, which now enable patients to self-manage their diabetes at home. Likewise, home pregnancy tests have simplified what was once a complicated laboratory test into a plus/minus sign.

Thus, rather than relying on a physician’s time, skill and intuition to diagnose and treat previously complex disorders, we are turning to technologies that do the job far more quickly and at far lower cost. As disruptive technologies simplify and standardize the delivery of medical care, we no longer need to rely on highly-paid, highly-trained specialists for all of our medical needs.

Q: Once disruptive innovation occurs, what will the new system look like?

A: The simplification and standardization of medical care described above and in the opening chapters of *THE INNOVATOR’S PRESCRIPTION* is only the first step of disruption in the health care industry. The next step in the process is business model innovation that allows the disruptive technologies to establish a foothold in the market. These business models will make it possible for an outpatient clinic or doctor’s office to do things that previously had to be done in a hospital, or they will allow nurses – or even patients themselves – to do some of the work that physicians used to do.

In a disrupted health care system, general hospitals will be replaced with focused, specialty hospitals for certain medical tasks and retail clinics will take the place of physician practices for certain patient needs. High-deductible health plans and health savings accounts will eliminate the reimbursement health insurance system. Finally, user networks will take over the care of patients with chronic diseases.

Q: When can we expect to see these transformations begin?

A: In *THE INNOVATOR’S PRESCRIPTION*, we examine a number of business models that are already in place that truly capture the advantages of disruptive innovations and demonstrate what is to come in the health care system as disruption continues to occur. Retail clinics like CVS’s MinuteClinic encourage nurses to apply simple-to-use diagnostics and predictably-effective treatments to manage a small but growing list of conditions. Patient-to-patient information-sharing networks like dLife.com fill in the gaps in patient support that the medical establishment has failed to fulfill, leading to significant changes in the long-term management of chronic diseases like diabetes. Patient-managed personalized health records from Google, Microsoft, and others, are shifting the control of healthcare increasingly to the consumer.

Q: What research or case studies went into developing the major theories presented in THE INNOVATOR’S PRESCRIPTION?

A: The theories presented in *THE INNOVATOR’S PRESCRIPTION* are general innovation theories that were developed inductively and tested and proved deductively in multiple contexts – for-profit, non-profit, and governmental – over the last 20 years. We began applying these theories

to health care eight years ago. Multiple researchers have interviewed people from all across the health care community, worked in close partnerships with some districts, and studied many other reports and trends from other researchers and news sources. Evidence from actual patterns that have developed in the health care sector over the past eight years have both validated and further revised many of the hypotheses.

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