

# *Overcoming the 7 Biggest Pitfalls that Prevent Tech Adoption*

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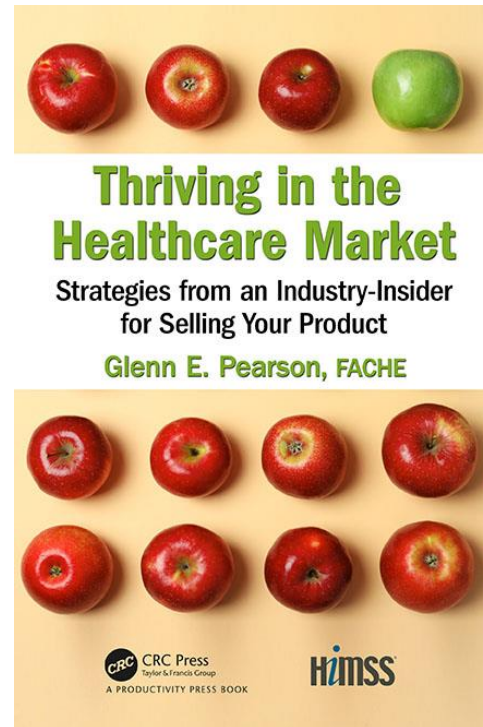
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# This Session

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- Designed to identify 7 of the biggest pitfalls of introducing healthtech and how to minimize
- Brand new book
  - 13 categories
  - 84 pitfalls
  - Almost 200 suggestions



# Who Is This Session For?

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Two groups will benefit:

- Innovators/entrepreneurs/vendors
- “Internal enthusiasts”

# Context

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- Healthcare represents 18% of U.S. GDP
- Thousands of innovations – many tech-oriented – introduced each year
- Many innovators from outside healthcare industry

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# The Top 7 Pitfalls

# 28. Introducing System Security and/or Privacy Vulnerabilities - Technology

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- IT Network – Hardware, software, medical devices
- Data
  - Patient data – HIPAA/PHI
  - Commercially valuable
- Additional red flags with international storage of data

# Avoiding This Technology Pitfall

- Don't underestimate providers' obsession with this!
- Thoroughly document:
  - Security protocols
  - Penetration test results
  - Examples of how handle PHI
  - Plans for keeping apps, hardware and patches up-to-date

# Avoiding This Technology Pitfall (Continued)

- Stress your eagerness to work with facility staff and other vendors to ensure healthcare organization's comfort level
- Avoid off-shore data storage at all costs!



## 45. Not Offering a Clear, Demonstrable ROI - ROI

- Traditional clinicians' attitude: patients' ability to pay should be irrelevant
  - University of Michigan example
- But, now extreme competition for every dollar
  - Clinician who didn't understand
  - Upper Midwest hospital CEO

# Avoiding This ROI Pitfall

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- Learn the ins and outs of developing credible ROI projections
- Realize that executives extremely skeptical about inflated claims
- Don't overpromise revenue gains or cost reductions – You will be found out!
- Seek “merciless” feedback about your ROI projections

# 46. Not Realizing How Difficult It Is to Capture Potential Savings - ROI

- Physical Therapy product vendor's claim of five-month ROI
  - Save 5 minutes/procedure x 15 procedures/day = 75 “saved” minutes/day
  - \$90k annual salary
  - Works out to five-month ROI
  - “But frees up to do other things”

# What It Takes to Actually Capture Savings

- Promise impressive savings only if:
  - The product streamlines process in high-volume of single activity with steady volume throughout the day
  - There are enough FTEs to “gather” the savings and maybe reduce count
  - The product saves smaller time increments but allows the organization to avoid overtime costs

# **54. Not Fully Understanding Overall Financial Incentives**

## **– Other Financial**

- Vendors fully aware of Hospital Readmission Reduction Program
- Very important program but
  - Not all payers participate
  - Only a handful of discharges
  - Whether the provider assumes full risk

# 54. Not Fully Understanding Overall Financial Incentives (Continued)

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- But (Continued)
  - Whether any given readmission will trigger any penalty or moving to higher penalty level
  - Time frame – can be up to four-year lag between readmission and future penalty
- Not recognizing financial nuances will make you look naive

# Avoiding This Financial Pitfall

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- Stress the positive impact your product has on the readmissions issue but recognize that the qualifications listed above could affect any given healthcare organization's sense of urgency
- Try to educate yourself on other financial complexities

# **68. Playing into Professional Rivalries - Political**

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Jealousy and potentially harmful competition exists everywhere

- Some technology can allow one clinical area to attract volume from other clinical areas
- Some technology can potentially redirect revenue from a hospital to a physician practice
- Individual personalities and relationships can also come in to play



# Avoiding this Political Pitfall

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- Be fully aware of your product's potential to upset the internal "balance of power"
- Stress the value to the organization as a whole
- To the extent possible, assess the political "lay of the land" as early as possible and meet with any potentially problematic people in advance to hear their concerns and address them to the extent possible

# **69. Threatening Someone's Job or Organizational Stature – Political**

- Scenario 1 – Vendor discovers technical loophole hospital is missing
  - Message to CFO: “You’re an idiot who should be fired.”
- Scenario 2 – Vendor offers way to streamline operations and reduce FTEs
  - Message to manager: “Get ready to lose staff count and possibly stature.”

# Avoiding This Political Pitfall

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- Tread very lightly in this area!
- If your product taps into a new technology or new insights, you can downplay the likelihood of implied criticism
  - SaaS
- If your offering is based on a new environmental development, point out that you are not criticizing anyone since everyone else is doing it the old way
  - New interpretation (positive or negative) of vague regulation

# Avoiding This Political Pitfall (Continued)

- If your product could reduce staffing or operating costs, start with the executive over that area (instead of the CEO) to help them understand they can become a hero if they introduce a cost-saving innovation and enlist them as an ally right from the start

# **77. Adding to the Workload of Some Departments or Individuals - Operational**

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- Some technologies can make life easier for some departments at the expense of others
  - Association database management software

# Avoiding This Operational Pitfall

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- If you are newer to healthcare, seek reactions from “friendlies” at your pilots or early adopters to determine the extent of this problem and identify any individuals likely to object
- Be realistic about the potential impact on other departments
- Be humble about your solution, and to avoid looking naïve, never utter the words, “All you have to do is . . . .”

# Contact Information

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