

**Request for Expressions of Interest**

**Planning Grant for Hospital or Health System-based Innovation Center**

**Purpose**

[The Nicholson Foundation](https://thenicholsonfoundation.org) is interested in supporting the development of an Innovation Center in hospitals and health systems serving vulnerable populations in New Jersey. The purpose of the Innovation Center is to drive the development, testing, and implementation of new solutions to transform care for vulnerable populations.

As an initial step in the Innovation Center development, the Foundation will provide up to $50,000 for a planning grant to up to two New Jersey hospitals or health systems. The planning process will allow the participating hospitals or health systems to develop an approach for an Innovation Center that is a good fit for their organization while, at the same time, aligning with the objectives stated below. The Foundation will also make available consultants with extensive innovation center experience to work with the participating hospitals or health systems during the Planning Grant period.

These hospitals or health systems must demonstrate an interest in developing an Innovation Center that is based on the principles and framework exemplified by the successful innovation model in practice at the Columbus Regional Health System (described below). Nicholson is looking for hospitals or health systems interested in developing an innovation center model that focuses on healthcare delivery and is aligned with the following objectives:

* Test and refine innovations to lower costs, improve health, and improve patient experience
* Disseminate successful innovations broadly across their own organizations
* Utilize a human centered design approach alongside more traditional quality improvement or Lean Six Sigma approaches to deeply understand the needs of end users and develop innovative solutions to address critical issues.

The Nicholson Foundation is NOT interested in supporting an innovation center that serves as an accelerator or incubator to develop companies or technology for commercialization.

Following a successful planning process, The Nicholson Foundation is prepared to provide additional funding and other resources up to $500,000 to support a pilot implementation of the Innovation Center. Demonstrated senior leadership support and active participation in creation of the model during the planning process will be key factors in selecting an organization for Implementation support. Nicholson’s level of funding will be dependent upon the hospital or health system’s commitment and their own in-kind contributions and resources dedicated to developing the Innovation Center.

**Background**

*Why an Innovation Center?*

Many healthcare organizations across the country like the Cleveland Clinic, the Mayo Clinic and others have built innovation centers within their organizations. There is a wide range of variation in the focus, structure and funding of innovation centers. Some organizations have focused their innovation centers to nurture and invest in new healthcare technologies. While others develop new revenue-producing services. Many have also focused their innovation center work internally to strengthen and build new healthcare delivery systems. These organizations with innovation centers have experienced a great deal of success in developing and implementing new solutions and cost-effective approaches to improving care.

Innovation centers allow organizations to discover, develop, test, and spread new models of care delivery in healthcare delivery systems. They create a safe environment for organizations to work out the bugs with a new idea and collect data to ensure a concept is working before further dissemination. They give caregivers the opportunity to step outside their busy daily work and develop solutions to address patient and family needs.

Despite the need for innovation among safety net organizations, there are limited examples of innovation centers that focus on vulnerable populations. Organizations serving vulnerable populations would benefit from adopting some of the practices that are implemented through innovation centers. A transformation is needed to move the safety net towards an agile and creative, system that prioritizes collaboration and manages innovation and dissemination of effective solutions built around the patient and their needs. It is critical that organizations that serve vulnerable populations adapt current approaches and find creative solutions that address the unique needs of their patients and learn to improve the experience of care, clinical outcomes and reduce the cost of care delivery. Innovation is essential if safety net organizations are to thrive in this changing and uncertain healthcare environment.

*The Nicholson Foundation’s interest*

For the past three years, The Nicholson Foundation has been working with the [Center for Care Innovations](http://www.careinnovations.org/)[[1]](#footnote-1) to explore strategies and support small projects across several organizations to [advance innovation in New Jersey.](http://www.careinnovations.org/uploads/NJ_innovation_catalyst_initiative_2015_evaluation.pdf)  Through funding these projects, the Foundation has become more familiar with innovation concepts and approaches.

The Nicholson Foundation is now prepared to fund more than just small innovation projects across different organizations. The Nicholson Foundation is interested in systems change and supporting efforts to change an organization’s culture to work and think differently, using innovative approaches to address problems and find new solutions. Therefore, the Foundation has more recently been exploring different models of innovation centers that can be embedded within an organization and become a part of the institution. To better understand the different models that exist and to see how each operates, Nicholson began a tour of innovation centers across the country to identify a model that could be replicated within a New Jersey organization. After visiting several centers, The Nicholson Foundation identified the model at Columbus Regional Health’s Innovation Center as one that could successfully be replicated in New Jersey.

*The Columbus Regional Health model[[2]](#footnote-2)*

Columbus Regional Health (CRH) in Columbus, Indiana is a community health system that has created an innovation center that could serve as a model for other community-based health systems. From the beginning, the creation of the Innovation Center was driven by the senior leadership team. The CRH senior leadership began with a goal of developing an innovation competency for market differentiation and improved delivery on patient satisfaction, clinical outcomes and lower cost. The effort was driven by CRH’s Chief Strategy Officer with the full support of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and other members of the senior team. In addition, the CRH Foundation and its Board of Trustees provided critical philanthropic support along the way. More than five years after the opening of [The CRH Innovation Center](https://www.crh.org/about-us/innovation), the CEO and CFO continue to be key leaders, supporters and shapers of the Center and the CRH Foundation remains a key partner.

CRH created its systematic approach and deployment of innovation practices by building primarily on a foundation of existing hospital staff and operating budgets. An up-front commitment to integrating the Center’s function with ongoing operations and the need for long-term sustainability helped dictate the organizational structure and approach. From its inception, the Innovation Center was to be a centralized resource for staff working on key strategic projects for the organization. As a result, CRH worked to strengthen and expand the competencies of existing quality improvement staff and opened the Center without adding any additional staff. There is now a physical facility that houses the staff and facilitates the work. However, the Center first operated for several years without a dedicated facility.

The Center tackles strategic customer-centric problem solving and service development using [Human Centered Design](http://www.designkit.org/human-centered-design) and innovation tools. Departments throughout the hospital are encouraged to submit to the Innovation Center problems or issues that could benefit from a new solution or different approach. If a proposal is accepted, an Innovation Center staff member works with the designated department to develop a creative solution. Projects that the CRH Innovation Center have worked on have ranged from redesigning inpatient flow to create more single patient rooms without new construction, to developing a new and evolving role for a team of “connection specialists” who help community members navigate the health system, to creating better ways to manage chronic care conditions in the uninsured population. There are very little additional operating costs because CRH used existing hospital staff rather than adding staff, and the facility is located within the main hospital structure. Because the Center was built on a foundation of [Lean Six Sigma](https://goleansixsigma.com/what-is-lean-six-sigma/) improvement work, it had already established a strong ROI methodology and track record.

Start-up expenses (facility, training, and education) were funded primarily through philanthropy but currently the CRH Innovation Center is a part of the hospital’s operating budget. The innovation center’s long-term annual sustainability is through tracking project outcomes to show positive return to the financial bottom line of projects led by Innovation Center staff. In addition to financial impact, other metrics such as improved quality, efficiency and patient satisfaction are also the focus of many of the projects. The CRH Innovation Center projects have also led to some breakthrough ideas and helped develop new service models. A large portion of the work is also focused on safety net populations.

CRH estimates that annual returns to the bottom line through efficiencies, cost containment or new revenue generation average $1.3 million/year through approximately 25-30 projects managed by Innovation Center staff. This financial impact is the sum of both innovation and improvement projects. While the CRH model makes use of technology when appropriate, its focus is on process and service development and not on technology. A large portion of the CRH Innovation Center’s work is focused on safety net populations.

**Phase 1: Planning Grant**

During this planning grant period, grantees would be responsible for participating in the following activities with a deliverable of designing a model for an innovation center at their institution:

* The project team, including at least one member of the hospital or health system’s senior leadership, would visit the Columbus Regional Health (CRH) System to understand their model. The organization would use grant funds to cover travel to Columbus, Indiana.
* The project team would work closely with Nicholson-selected and funded consultants from CRH and others from the innovation field to understand how to adapt the model to align with the goals and priorities of their organization.
* A six-month roadmap for the work, including several daylong working sessions, will be developed jointly.
* The entire project team MUST participate in the CRH site visit and working sessions to design the Innovation Center.
* The project team would build internal leadership support and a shared understanding for the goals of the Innovation Center and how this would support their own strategy.
* The project team would ultimately develop a clear vision and operational plan for implementing an innovation center, fully supported by and developed with input from Senior Leadership. This would include a plan for staffing, training, and other support needed to implement an innovation center pilot and a proposed business model for long-term sustainability.
* The project team would present the results from their planning grant and describe the Innovation Center model to The Nicholson Foundation and their consultants.

**Phase I: Application for an Expression of Interest**

Interested hospitals or health systems are invited to submit an Expression of Interest using the Application format below. The Nicholson Foundation will review these applications and invite up to two organizations to present their results and submit a detailed proposal for grant funding.

***Eligibility Criteria***

Interested hospitals or health systems must:

* Serve a significant number of Medicaid or uninsured patients.
* Have a strong desire to develop innovations for vulnerable populations
* Have at least some of these characteristics: a strong team culture, solid community partnerships, a track record of creativity or innovation in new service development, an existing approach to process improvement such as Lean Sigma or IHI’s Model for Improvement.

***Application Questions*** (Application submissions should be no longer than ten pages):

*Organizational goals, priorities, barriers and leadership*

1. Please provide a brief description of your organizational background, including your mission and current principle activities.
2. Please describe your goals for an innovation center. At a high-level what would you like to achieve and why do you think it is important for your organization at this point in time?
3. What are your biggest strategic priority areas that you would address through innovation?
4. Describe the major obstacles you would need to overcome within your organization to develop and implement an innovation center pilot.
5. Who would lead this work for your organization? Identify the members of the project team, including the senior leadership member, the project leader, and describe everyone’s current role within the organizations. Explain why they were selected as members of the project team.
6. What departments would be involved in this project? Why were they selected?
7. If you are a multi-hospital system, do you see this as a centralized Innovation Center for all parts of your organization or focused on one element of it? Describe which approach you would take and why.

*Organization’s current innovation and improvement initiatives*

1. Describe your current quality improvement infrastructure including the number of staff and structure. How would the innovation methodologies complement and support your current quality improvement infrastructure? Describe any experience you have with Lean Sigma methodologies, including staff who have already been trained. Please indicate if there are staff interested in being trained to build skill sets to better understand end users, ideation, prototyping, and testing solutions.
2. Describe any existing infrastructure your organization may have already developed regarding innovation tools and methods including Human Centered Design.
3. Describe any organizational projects or initiatives that you would describe as innovative which you have successfully implemented or learned from.
4. How have you measured whether these innovation and improvement efforts were effective? Have you looked at ROI as well as other metrics of success?

*Organization’s other available resources*

1. Describe the organization’s commitment and likely approach to sustaining the development of an Innovation Center and how it might sustain newly developed solutions.
2. Describe the role of philanthropy, if any, in your organization.

As noted above, organizations being considered for Phase I will be asked to meet with The Nicholson Foundation staff and their consultants to present their plan and clarify their application. Once Phase I is completed, organizations may be asked to continue to Phase II of the project, which is described below. The organization also has the option of opting out of Phase II.

**Phase II: Pilot Implementation of Innovation Center**

This phase will be more fully developed following the completion and learning from the Planning Grant phase. In this phase, invited participants will be able to apply for additional funds to implement their pilot Innovation Centers.

Organizations invited to advance to Phase II of Nicholson’s grant proposal development process must demonstrate the capacity to:

1. Participate in a grant proposal submission of up to $500,000 that is partially performance-based.
2. Contribute a match of at least 25% to Nicholson’s grant through a combination of financial and in-kind contributions.

Please note that at least one member of the organization’s senior leadership must participate actively in the Innovation Center’s development and implementation. In addition, a credible organization leader should be able to be the point-person and project driver for this work within the organization devoting a substantial amount of their time to this work. That person needs to be comfortable with ambiguity, an excellent project manager, a coalition builder and a person of influence in the organization. The individual needs to be a passionate advocate for this work and have the capacity to lead this project. The organization’s senior leadership and board must be committed to strengthening a culture of innovation and aligning innovation efforts with the strategic mission of the organization.

**Project Timeline**

December 15, 2017: Expression of Interest Applications due

February 2, 2018: Interviews scheduled with The Nicholson Foundation and innovation consultants

March 30, 2018: Notification of applicants selected to participate in Phase I

**Submission Guidelines**

Submit Expressions of Interest by **December 15, 2017** by email to Barbara Kang, Senior Health Program Officer at bkang@thenicholsonfoundation.org.

**Questions**

If you have any questions about this REI, contact Barbara Kang by email at bkang@thenicholsonfoundation.org.

1. The Center for Care Innovations, along with their partners, gravitytank, and Kaiser Permanente, were the 2015 recipients of the top award from the Design Management Institute for their involvement in developing and launching the Catalyst Program. <http://www.dmi.org/?page=2015DVAGravityTank> [↑](#footnote-ref-1)
2. Columbus Regional Health recently received top award from the Design Management Institute for the way they created and currently operate their Innovation Center. <http://www.dmi.org/?page=2017DVAColumbus> [↑](#footnote-ref-2)