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The VA's Center for Innovation is focusing on initiatives that implement care and payment innovation.

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With the Mission Act's passage last year came the creation of a center for care and payment innovation to achieve cost savings. As a result, the Department of Veterans Affairs' Center for Innovation shifted its focus to innovation initiatives enabled by Section 152 of the Mission Act, which is all about implementing care and

payment innovation. Heading up the VA Innovation Center is Michael Akinyele, who brings a wealth of experience in the health industry from both private and government sectors.

What are some of your initiatives and projects you focus on as acting chief innovation officer at the VA?

So our primary focus has been on implementing Section 152 of the Mission Act. The Mission Act was enacted June 6, 2018, and section 152 provided the VA the authority to create a center for innovation for care and payments. What's unique about the center is that its primary purpose and focus is on creating value with many outcomes laid out and many priority goals and requirements of how we would go about doing that. But it's unique in its focus on identifying approaches and testing new payment and service delivery models to identify and capture value for the agency -- primarily by reducing the cost of delivering services without harming the quality of those services delivered.

Why does the VA need a chief innovation officer?

I think that's a great question. Like most large organizations, the VA is a fairly complex and complicated entity. It's actually the largest civilian agency in the federal government -- almost 400,000 employees and a fairly large budget. I think our budget that's proposed for 2020 is about \$220 billion. What we have though is an opportunity to think outside of how things have always been done, which requires original thought, and that original thought is what I consider the primary purpose of anyone operating in the innovation space.

Innovation is a fairly nebulous term and others have chosen to call things that are not actually innovation "innovation," and so with this effort our priority is really looking at innovation for what it ultimately needs to be, which is the approach by which an organization identifies targets and resolves its most persistent and systemic issues and challenges. So it's not really about adopting the newest, latest, greatest technology. It's actually just about solving problems. And some of those problems are not related to technology.

The scope of innovation and the scope of the role of chief innovation officer is really looking across the enterprise and understanding the root cause of some of the most persistent and systemic issues that are harming not only the organization, but the customers of the organization. I'm a big advocate of every organization actually having someone who has a purview across all the business lines of an entity and really thinking about how to drive the entity to optimize and really achieve the greatest possible outcomes for their beneficiaries and customers.

The effort here is to really look take a step back, understand what those persistent systemic challenges and problems are, and take a view that's really focused on changing the paradigm. Really not about making incremental change, really not about just adopting what's been done somewhere else or even potentially adopting what is ever considered best practice. It's really about understanding what should be and not really looking at how things are done and then creating a roadmap to go from how things are today, not really looking to improve how they're being delivered today, but actually looking at how should they be delivered and then designing a roadmap to get there. That's why even where this organization (which is the innovation center) is positioned in the VA is unique because it actually sits outside of any of the administration that sits in the corporate portfolio and reports up through the office of the assistant secretary for enterprise integration.

Because from the outside view (so outside but inside), we have the opportunity to actually push to the status quo and sort of challenge how things are currently being done or thought of by our own experts. It's fairly complicated to pull off because there are always organization dynamics, but we've had great leadership support and significant collaboration with several leaders across the administration, particularly VHA. I feel like we're in a great position to be an entity that challenges the status quo while working with and collaborating with those who are charged with operating any of these spaces that we would want to step into with any of the pilot programs authorized by the Mission Act.

Your background in health care is a little unexpected, I would say. You have an MBA from Stanford, but your involvement in health care kind of goes a little bit deeper than that in your

history. You've been involved in a health care club, you're involved in a number of initiatives outside of the VA with health care. What does health mean to you?

That's a very loaded question. Health means a lot. In the context that I would expound upon that is that health, wellness, it's all connected to life, and achieving the optimal health outcomes I think is how every member of society should be positioned and enabled. When, because of socioeconomic status or access to the appropriate types of resources, folks are not able to achieve or even be in a position to pursue optimal health and wellness outcomes. I think we as a society are positioned to suffer as a whole because we're ultimately not getting our best from all the citizens who are available to actually contribute to society. It's really because their health and wellness is not being optimized. And the goal of every member of society is to be a productive and contributing members society. But if folks are not able to achieve optimal health or well-being outcomes, that ability is constrained. And once that ability is constrained then we're almost facing all the challenges we have as a society without the full bench or the full scope of folks who could contribute.

Health to me is really about understanding what it would take to not only achieve it personally those optimal outcomes that I referenced, but also how we could position the right institutions who are responsible for helping our citizens and actually citizens around the world to achieve that optimal outcome.

The reason I have decided to focus my career on health is fairly personal. I would say that the first career opportunity I had was actually running a multi-location site of clinics here in the D.C. area. It was pediatric specialty, and I was able to start doing that full time, actually in my sophomore year at Howard University. That was health care at the front lines, and seeing patients every day optimizing the revenue cycle and really understanding the in and out of what it takes to deliver care and get reimbursed for care. And then when I moved out of that after graduation, it was really about broadening my skill set, and moving into management consulting allowed me to do that because it allowed me to actually understand different types of businesses and how to solve problems for those type of businesses.

It wasn't until after business school that I sort of rediscovered or refocused on health care, and that was largely because it came up as a recurring issue not only with my health care clients but with non-health care clients who were faced with margin pressures because of the costs of providing health care to their own employees. My true north has always been, "What are the hardest problems I can spend my time on?" Because when I think about how I want to focus my efforts, it's always about what is the most complicated thing that hasn't been resolved yet; what can I do to try and find a solution that could actually work?

While I was doing that in management consulting I ultimately had a personal tragedy. My dad was away at a conference in 2014 with his colleagues and had a medical incident and was far away from home with no access to his medical records, no access to his medical history. They did what they could, but he ultimately lost his battle in that sort of medical event. From that moment on, I think I really started not only looking at what my priorities should be, as at that point a newly married person, but ultimately someone who wanted to start a family. I at that moment decided to really think about pursuing fixing the health care system.

It took a while to find opportunities to actually be in a position to do that, but I'm glad that in this role at the largest integrated health care system in this country, I feel like I'm in the position to have the impact that I hope to have on not only how health care is delivered in this country, but actually deliver it around the world -- particularly when you think about the scenario I just referenced about my father.

I look forward to a future where access to information and access to evidence-based care paths for any instance that a patient presents with is available, and it's not a function of your insurance coverage, it's not a function of your socioeconomic status, that it's just a function of you needing help and that there is a pathway hopefully enabled by the right technology because I think that's the only way that can be delivered, but that we are no longer I would say flying blind when it comes to figuring out how best to take care of people. I think if we can connect the right sources of information, provide the right insights at the point of care, then we can empower not just clinical care providers, but we can actually empower every single person to pursue optimal health outcomes by having information available to them.

To go back to the original question, health to me is about life and achieving optimal life outcomes. Without the optimal health and well-being outcomes, it's really hard

to maximize other parts of life, and so for me it's really the foundation of what makes everything else possible.

In your role as chief innovation officer, where does technology play into that as far as making these services better for specifically veterans?

Technology is a tool and what it ultimately is able to achieve I think is a function of the people and the processes associated with that tool. What we've potentially prioritized in the past and maybe even in the current state has been just an adoption of technology. And it may not be what is required in certain instances, potentially in many instances. But there are very distinct instances where new emerging technology is required.

I think where technology comes into play with our work, particularly the work around care and payment innovation authorized by the Mission Act, is to understand first the problem that we want to solve and actually engage a whole host of folks all the way from veterans to experts within the organization and then experts outside of the organization to really understand what the root causes of some of these problems are. Then through that discovery process, I believe where technology can make a difference will come to light.

I think once we know the problem we want to solve and we have a sense of the impact that existing or new technology can have, then it would be our job in the innovation office to really come up with not only the logic model, but the operating model and the implementation plan of how bringing in the new technology not only improves services and service delivery, but also drives value creation and opportunity for value capture. What I think we've experienced, and maybe the broader health care industry has experienced, has been an adoption of technology that's actually value destroying.

As IT departments have been elevated across the country, we've ultimately potentially seen clinical leadership de-prioritize in some sense, and the approach there I think is the approach that a lot of other industries have experienced where technology comes in and ultimately is able to automate processes providing opportunities for organizations to effectively and ultimately optimize their human resource needs. Health care is just a different ecosystem that I don't believe that

model can readily step in and execute in the manner that it has been executed in other industries.

I think the challenge technology has had in the health care industry has been around that health care is largely local and most of the other industries that have been disrupted by technology have had the opportunity of leveraging globalization and the impact of automation has been clear. So from line workers on a factory to even the disruption we've seen with ride-hailing companies, I think all of that is a function of the technology being adopted fairly quickly either by the organization. In the case of the line workers in a manufacturing entity or when we think about how consumers shifted to ride-hailing companies and were able to fundamentally disrupt the ride-hailing and dispatching process. I just don't see how the current health care ecosystem would allow that to happen because I think the technology disruption playbook in the way it's been implemented in other industries is fairly straightforward, and health care is very complicated with a lot of relationships and co-dependencies that are not readily apparent until you try and change something.

That's been some of the challenge that's been experienced by organizations that have adopted new technology or technology writ large as a means to create value. Value creation is about substitution and that substitution is largely around substituting higher value interventions, which in this case would be potentially technology for lower-value interventions, which could be inefficient processes or sort of manual processes and that is just not borne out in health care yet.

What is unique about veterans or the VA that might contribute to some of these challenges that maybe other health care entities don't have?

There are several things unique to the VA. To link elements unique to specific challenges we face would be to kind of look at it in two forms or two parts.

The first part being we have a responsibility to care for veterans and their families, and our veterans and their families are spread across all 50 states and surrounding islands. Because our mission and our responsibility is to care for veterans and their families, we need to provide access to our services to our veterans where they live. Historically and fundamentally, we've had to maintain operations and services across all these states at different levels. But ultimately you're now looking at an

entity that has to provide the type of coverage no other entity has a responsibility to do.

Primarily because other entities that sort of have the national scope then you're usually looking at much larger population sets. You know VA is caring for probably about 6 million unique veteran patients every year. When you spread 6 million unique patients across 172 medical centers, you're coming down to about 30,000 to 40,000 patients for a medical center.

Delivering care to such small populations sets in all 50 states is definitely a unique challenge that VA has because we're not really able to leverage our scale in any of our markets where we operate because our populations are fairly small in all these markets compared to how other local health systems are able to leverage their scale because they're fairly concentrated. Even multi-state health systems like Kaiser is able to sort of pick specific markets and serve their patient population in those markets. They don't need to have a 50-state strategy. We do. So that makes things increasingly complex, and ultimately health care is a business and the market dynamics of every single market impact every business in that market.

While VA is the largest health system in the country, it's actually not positioned across all 50 states in that spot of largest health system. Between the volume of patients we serve and even just our purchasing power when we go into the community in that local environment -- we're not up there with the biggest purchasers, we're not up there with the biggest delivery centers in that state. And because health care is local, we are sort of challenged in that manner, but that's where I think we have the benefit of serving a unique population. We've identified avenues where we could leverage our scale, and some of that comes from the access we can provide to patients across state lines through recently enacted or about to be enacted anywhere-to-anywhere regulation that allows our clinicians to see patients across state lines through telehealth and other virtual technologies. That's how we can begin to -- I wouldn't say pushback -- but actually leverage our scale in a way that allows us to meet the needs of our veterans where they are without necessarily having to bring all of that capacity to bear in the local market.

So definitely a long journey and we're still on it, but I would say that because of the population we serve and how they are sort of spread out around the country, it creates some unique challenges in how care is delivered and ultimately reimbursed. Even what changes we're able to make is also challenging because we usually are

not in that position in any local market. So we've had certain services or areas in our business that we've been able to leverage our scale. If you think about our certified mail order pharmacy program, we fulfill almost 200 million prescriptions a year. I think that's something that you can create a national strategy for and sort of deliver that to the patient and not have to worry about creating a 50-state supply chain -- that wouldn't work. You ultimately look at certain services like that, and I think we have a similar opportunity when it comes to the delivery of virtual health care, but that also has to be put through the lens of how establishing the infrastructure required and positioning the resources appropriately actually creates value versus destroys value. The strategy around that has to be right. The tradeoffs have to be understood, and ultimately the appropriate strategies and other operational elements have to be right for it to actually work in the way that would create value and not destroy value.

What are some ways that your office is hoping to solve some of these challenges?

The primary way is by investigating developing and implementing pilot programs under the authorities granted by section 152 of the Mission Act. So our approach is to work across the agency with different subject matter experts, collaborate with experts outside the agency, and really understand how to set up an established pilot programs that would fundamentally position the agency on a more sustainable path and on a path to deliver value by solving some of these tough problems, figuring out what those are. It's its own challenge, and we've definitely been hard at work since the law was signed back in June 2018. Try to not only establish a process, but put some governance in place. I think we've been able to get to a good place where a lot of folks, especially leadership, is very excited across the agency about the potential, and now we're just hard at work to identify some of those high-impact areas where we could solve some problems, create and capture value to demonstrate that. With the right approach and process, we can actually start making some meaningful change.

You mentioned pilot projects and partners. What do you look for in determining a partnership or establishing a pilot project?

The first thing when it comes to the type of pilot programs you want to pursue is that there is a clearly defined problem set of not only the lives impacted but actually the type of harm that's currently been experienced because of the status quo. If it's really clear on the lives and the type of harms that are faced -- both financial and personal -- then there's a mission at that point to go out and find a solution or a set of solutions to address that specific problem set.

The hope is that if we can build a logic model that says by adopting this alternative we will deliver value either by reducing what it costs to meet this need or by improving how we meet this need. A pilot program proposal that doesn't clearly articulate the type of problem it intends to solve the lives that are impacted and some of the numbers behind that, it's a non-starter. So the hope is all pilot programs will at least highlight the problem it's trying to solve and have a clear logic model of how adopting a different way would challenge the status quo. By rigorously evaluating one model versus the other (it's status quo versus innovation), we can come out with the better way to do things. And then the benefit we would have is the authorities granted in section 152 to actually expand through specific waivers requested and granted by Congress anything that's deemed more effective. I think that's the unique asset that's included with these pilot programs because we've had pilot programs in the past where we recognize success in one or two places, potentially even spread that success to dozens of sites.

But to drive change across an entity this large or user-based entity, most of that change is more easily affected if done through the power of the law. And so the opportunity here is to work with all the stakeholders, work with Congress and OMB, and understand how implementing fairly nuanced modifications to current statute would allow us to deliver services differently or pay for services differently. If we are able to prove the new approach is more effective than the status quo, then the expansion authorities granted by the waiver would allow us to take the new better way across the enterprise.

You also spent significant time in the private sector and you also serve on a number of foundations, for example the Lymphoma Research Foundation. How have some of these experiences informed what you're trying to tackle at the VA or even vice versa?

A lot of my experience in the private sector was working with several stakeholders in the health care ecosystem. And so I've had the opportunity to work with senior executives from physician groups to health systems to academic medical centers to pharmaceutical companies. And what that experience brought to light was the unique challenges each of those stakeholders faced and ultimately their role and their contribution to our ecosystem -- both good and bad. That knowledge and insight I think is invaluable to me as I look to work across the agency to create new innovative models that would potentially disrupt all of these stakeholders and how they do their business. I think the insights gleaned from my experiences working for them and with them definitely comes in handy because my efforts here to bring about change always first starts with a war-gaming exercise, business war-gaming exercise. If we do this, what are they going to do and how are we going to react if they do that? So it's really mapping out a solution with the understanding of how other stakeholders in the ecosystem are going to react because if we are not able to anticipate some of those reactions and counter moves, then we're not able to get to the type of solutions that can actually succeed. I think my experience working across the health care ecosystem has been invaluable because I come into this role with my eyes wide open with a sense of not only what others would do, but a sense of what the priorities are and the strategies that they would likely deploy to counteract some of the change that we might be trying to put in place.

My experience on the board of the Lymphoma Research Foundation has been an experience that highlights not only the importance of philanthropy, but almost the necessity because we have a great mission and when we look at the landscape not only of early investigators stepping in to research some of these blood cancers or just cancer in general, it's not looking as promising as I would like it to look. I would

definitely like a scenario where we have a lot more people researching in this space. But like most things, it costs money and the money isn't as available as it used to be. And so what we've had over the years has been a shift away from some of this type of research. And so in the way that we can, our efforts are multifaceted. But part of the effort of the Lymphoma Research Foundation that I find most compelling is around funding the work of early investigators to actually put them on a career path that helps them research and create new cures in the long run. If you don't plant the seed, you'll never be in a position to make a harvest. We look at our efforts as planting seeds with the hope that if we plant enough seeds that in the long run there are newer cures and faster cures.

It's definitely a long journey. And when I look at cancer care in general, it's one of the areas where I think value creation is probably most needed. Most of the treatments that are coming out, whether or not they're effective versus the status quo, is sometimes debatable, but what ultimately happens is because of its unique state or potential orphan status, what we have is fairly high costs for these treatments. I'll borrow a quote from Dr. Devi Shetty, "If a solution is not affordable, it's not a solution." I hope I quoted that right. If the goal is to save lives, putting a life in a position where entering into financial ruin in pursuit of saving the said life is potentially not saving the life but creating new and different problems. Looking at solutions not just from its efficacy but also from its affordability and access, because all of that contributes to the ever-increasing costs and prices of health care not just in the broader ecosystem.

But also when I think about our costs as VA -- even though we are a closed system, we exist within the U.S. health care system -- and when we purchase care in the community, we're ultimately purchasing at market rates, and the markets are reacting to all the different dynamics and prices and costs. In an ideal world, when you say the word "closed system," it truly means that which is an entity that really doesn't have to worry about others outside of itself. But we are not closed in that way because we do purchase care in the community and we ultimately have to compete with the community when it comes to hiring the clinicians and others that we need to deliver our services. All of that effort outside of the VA prior to this experience has definitely prepared me and provided a fairly robust perspective on some of the problems and complexities we face. Efforts have been attempted in the past that are currently being attempted to solve them and sort of cynical understanding of why they remain unsolved and why I wouldn't look at our

increasing budgets and say we're on a sustainable path. If our populations decline as projected and our budgets continue to increase, we would be spending more per person in the long run and that would, in my view, be value destroying. And so our effort here is to really understand what it would take to put the enterprise on a value-creating pathway without harming the services or our beneficiaries by doing so.

Your current role is an acting role, what is next for you whether it's at the VA or outside of the VA?

I've been acting in this role since March 2018, so a little over a year; I look at this as a unique opportunity. I'm deeply humbled to have the opportunity to kind of see it from the moment of enactment to create the approach and strategy that we would take and actually start putting things in place to not only establish the center but actually start implementing the new law. I have no current plans to do anything else in the near term, so I wouldn't look at my role as acting because I'm preparing to go do something else. I think it's acting as a function of our internal processes, and I think -- my hope -- is that it's not acting for a much longer period but it actually is a little bit more permanent.

Nothing's ever really permanent, but the notion there is so "acting," and there are a lot of folks who could see acting as, "OK, you're kind of holding the seat warm for someone else." That is not the case here. We have looked and ultimately the type of skill sets required are fairly niche because it's a skill set where you need to understand the business of the VA. Then you need to understand what it takes to actually operate within a government agency and then you need to understand how VA's approach to delivering those business services health care benefits and memorial services differs to how it's delivered in the private sector. They have to bring together those three knowledge sets and come up with a new and different approach to doing things, which is kind of going back to the sense of original thought. And so what we found is that most people who have that skill set or mindset are very expensive to hire and are really not readily available because our unemployment rate is pretty low. All of these factors just doesn't put us in a position where I'm kind of holding the seat for someone who's willing to kind of step in. We're just working through it. I think that acting as part of the title is just that -- it's

part of the title. It's really not about preparing the opportunity for someone else. But that being said, I by no means have the mentality that this role or job is somehow my birthright. I know there are others who may have that sense when it comes to work. But I definitely have other goals and ambitions beyond this role and the history of my work and the temporary nature of consulting work has been fairly rapid cycle, and so I look at this as potentially one of the longest that I've kind of just worked on the same thing.

For me, I take each day as it comes and I look at the opportunity to continue to push and if the time comes where I'm required to transition, I would work to position whoever steps in for success as much as possible because I do believe this is very important work and it is my responsibility to establish it in a way that makes it possible and potentially easy for it to live beyond the period at which I would be sort of driving the boat because the goal should be establishing institutions and processes that survive or outlive the individual that created it.

I think when things are created and cannot survive the creator, I wouldn't consider that a success. My goal is to be successful by hopefully establishing something that outlives the period at which I am running it.

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