

Chapter 5

CIVILITY IS NOT THE ENEMY OF PRODUCTIVITY

“People Deserve to Be Treated Like People”

I had not planned to be spending the days before Thanksgiving thousands of miles from home, dining on reindeer stew and Alaskan Dungeness crab, and adjusting to fewer than seven hours of sun over the course of a day. But here I was, in Anchorage, on one of my final research trips for the book, eager to immerse myself in the leadership strategies, management practices, and customer-service lessons of what qualifies as something close to a medical miracle. This miracle is not a just discovered cure for cancer or an exciting new surgical technique. It was the top-to-bottom transformation of a dysfunctional and dispiriting health-care system into one of the most promising and progressive health-care systems anywhere in the country, if not the world.

I had come to visit with the leadership of Southcentral Foundation (SCF), a nonprofit health-care organization that runs the Anchorage Native Primary Care Center; comanages an affiliated 150-bed hospital, the Alaska Native Medical Center; and operates

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an array of specialized programs and facilities that serve an area larger than the state of Texas, a 108,000-square-mile region that stretches from Alaska's biggest city to villages in the Aleutian Islands accessible only by boat or plane. All told, the foundation delivers care to roughly 65,000 Alaska Native and American Indian people—a diffuse and disadvantaged population that has struggled for generations with sky-high rates of alcoholism, diabetes, obesity, and suicide.

In the bad old days, when the system was owned and operated by the Indian Health Service, patients routinely waited weeks for an appointment with a primary-care doctor, spent hours in crowded emergency rooms to get treatment even for minor ailments, and put up with a culture of care that could be condescending, rude, even downright cruel. The original hospital, which opened in 1953 as a tuberculosis sanatorium, added all kinds of services and specialties in subsequent decades, but it never quite shook the cold and indifferent atmosphere on which it was built. The situation was, in many respects, the worst of all possible worlds—the bloated costs of the U.S. health-care system, the glacial pace of a faraway federal bureaucracy, the desperate needs of a distinctly vulnerable group of patients.

Today, under what is called the Nuka System of Care, everything is different. (The word *nuka* means “big living things” in many indigenous Alaskan languages.) The system is owned and operated by Alaska Native people themselves. Nearly 55 percent of the total staff, 95 percent of the support staff, and more than 60 percent of the managers are Alaska Native, including many of the senior executives. The facilities are handsome, welcoming, open, and designed around the culture and art of the people they serve. There

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are spaces dedicated to traditional healing and “talking rooms” where people interact with doctors and nurses without all the clinical trappings. The emergency room is used to treat emergencies, not as a germ-filled sorting station for routine ailments.

Customer service is exceptionally responsive, by the standards of the health-care industry or any other industry, for that matter. People who ask to see a primary-care doctor are guaranteed same-day access, even if they make their request as late as 4:00 P.M., as long as they arrive by 4:30, and wait times average less than twenty minutes. No wonder employee-satisfaction ratings routinely hit 90 percent and customer-satisfaction ratings have reached as high as 96.9 percent. In a validation of its remarkable progress, SCF received the Malcolm Baldrige National Quality Award in 2011, the first non-hospital-centric health-care organization to win the prize.

Most notably, and most important, medical outcomes have gone from among the lowest in the country to some of the highest, even for hard-to-improve conditions such as asthma, diabetes, and infant mortality. A few decades ago, for example, Alaska’s Native population had the worst results in the nation for infant mortality in the first twenty-eight days after birth. It now ranks among the best, a truly remarkable turnaround. Meanwhile, the percentage of diabetic patients with blood-sugar levels under control ranks in the top 10 percent of national standards. The percentage of children receiving high-quality care for asthma has increased from 35 percent of those who need it to 85 percent, and the rate of hospitalization for asthma patients has fallen from 10 percent to less than 3 percent.

The new definition of success for the Nuka System, its leaders have declared, is “a Native Community that enjoys physical,

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mental, emotional, and spiritual wellness.” Their ultimate aim, they say, is “a Native Community that is renowned for being healthy.” That’s a far cry from what the community was renowned for over most of its history, and how the Indian Health Service defined success when it was in charge.

All of which explains why I’m not the first visitor to make this journey. In the last few years, hospital leaders and public-health officials from as far away as Scotland, Singapore, and New Zealand have trekked to Anchorage to see the changes for themselves and figure out what lessons they can apply. In 2015, the Harvard Medical School published a two-part case study on the strategies and tactics behind the transformation. When Donald Berwick, founder of the Institute for Healthcare Improvement and one of the world’s foremost authorities on reform, visited Alaska in 2011, he called the system “the leading example of healthcare redesign in the nation, maybe in the world. It is an extraordinary gem. It can be the model for the reform of healthcare in America.” The *New York Times* agreed. As part of a series on the future of health care, it devoted an entire Sunday editorial to the “astonishing results” in Alaska, noting its “startling efficiencies” and its potential to be “hugely inspirational” to other systems.¹

So when I sat down with Katherine Gottlieb, CEO of Southcentral Foundation, who has been driving this transformation since 1991, I was bursting with questions about strategy and hungry for takeaways about leadership. (Back in 2004, Gottlieb won a MacArthur Foundation genius grant for her work as a change agent, the first person in Alaska to be so recognized.) How have she and her colleagues achieved such high levels of quality, consistency, and affordability, especially given the system’s tortured past? How has

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the community made such dramatic progress on so many health challenges? What does she, as a CEO, consider her most effective techniques for recruiting allies to her reform agenda?

Gottlieb assured me that she and her colleagues would get to all my questions. (They've set up the Nuka Institute to share lessons with organizations from around the world, so there was almost no question they weren't prepared to answer, usually with detailed statistics and stacks of PowerPoint.) But first, she said, she wanted to "sit down and exchange stories, get a flavor for what we're bringing to the conversation." So we talked about my wife and kids, where I was born, what kind of background I came from. "While you're sitting here," she asked, "is your mind on your work or on your family back home?" We talked about why I cofounded *Fast Company*, whether I found it hard to write books (don't get me started), and how I wound up interested in health care in Alaska.

Then Gottlieb told me her story—in a way that was more visceral, more emotional, more *personal*, than that of any other CEO with whom I'd spoken. She was born in Old Harbor, Alaska, she said, a tiny village on Kodiak Island, to a Filipino father and an Aleut mother. She spent some of her childhood in Seattle, and then moved to Seldovia, a fishing village southwest of Homer. She is one of twelve siblings, the first in her family to graduate from college. She has six children, twenty-eight grandchildren, and four great-grandchildren. She began at the foundation back in 1987, when the entire organization had 24 staff members. She told the people who hired her that she wanted to be CEO: "They laughed and said, 'We have the perfect job for you—receptionist.'" So she began as the receptionist, but was put in charge just four years later, and has run things ever since. (SCF now employs more than 1,750 people.)

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“My life experience comes from working in small communities, raising children, moving to Anchorage after village life,” she told me. “Wherever I was, I wanted to change what I could change, improve what was around me. That’s why I care so deeply about what happens here. I want this system to be sustainable for our children, and our children’s children.”

It was a unique and unexpected way to start an exchange of ideas, so I asked Gottlieb why she felt compelled to ask about my life and to tell me so much about hers. “If I don’t know you and you don’t know me, then how do we have a real conversation?” she replied. “So much of what we do here involves people being willing to share their stories, to open up about who they are and where they come from.”

Physical health, she argued, begins with a strong sense of individual and group identity. “Wellness begins with being proud of your identity, recognizing that we as Alaska Native people own this system and this hospital,” she told me. “The federal system treated us like numbers, like people who weren’t worthy of something better. The walls were cracked, the hospital smelled terrible, you’d spend hours in the emergency room, and then be scolded by a doctor who was overworked and frustrated. So I knew I was going to change everything. *Everything*. But first and foremost, we knew that people deserve to be treated like people.”

Hospital administrators who encounter the work of Southcentral Foundation can’t help but focus on its astounding gains in productivity and efficiency—performance statistics that would be the envy of any health-care system in any major city. In recent years, emergency room visits per one thousand patients are down by more than 50 percent; hospital admissions are down by more than

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40 percent; utilization of specialists is down by more than 60 percent; utilization of primary-care doctors is down by more than 30 percent. Annual staff turnover has fallen from more than 26 percent to 11 percent. The result of all these operating improvements is genuinely impressive cost control: Overall, even as the system has increased the number of people it serves by 7 percent, it has increased funding by just 2 percent.

Public-health officials who encounter the work of Southcentral Foundation can't help but focus on the dramatic advances in health and wellness among its population. Immunization rates for children in the system exceed 93 percent, higher than many places in the Lower 48, including tony neighborhoods in New York and Los Angeles, and especially impressive given that many kids live in remote villages. The C-section rate of 11.5 percent is one third the national average, also impressive as so many mothers in the system experience high-risk pregnancies. Its groundbreaking programs to combat fetal alcohol syndrome (the Dena A Coy Residential Treatment Program), adolescent mental-health problems (The Pathway Home), and domestic violence, child sexual abuse, and child neglect (the Family Wellness Warriors Initiative) have become models in their fields.

When I encountered the work of Southcentral Foundation I focused on something much more ordinary—and much more profound. Sure, when it comes to designing outpatient facilities and reinventing hospital operations, Katherine Gottlieb and her colleagues have devised breakthrough strategies from which change agents everywhere can learn. And, yes, when it comes to controlling costs and improving outcomes, they have found a positive-sum formula for which so many systems are still searching. But what

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makes their work so noteworthy, and so instructive, is that they recognize the limits of even the most clever thinking and the most disciplined execution. Ultimately, the leaders of SCF understand, the system they run will be sustainable, and the population they serve will be “renowned for being healthy,” only if the people in it embrace a sense of identity that is as much about individual responsibility and personal transformation as it is about official policies and procedures. Their challenge is not just to manage the high-priced technologies and vexing trade-offs of modern medicine but to recognize and address the infinite mysteries of human behavior.

“They truly are pioneers,” says researcher and consultant Cory Sevin, a nurse practitioner who serves as a director with the Institute for Healthcare Improvement and who describes herself as “a fan and a follower [of SCF] for a really long time.” Sevin has advised health-care systems of all shapes and sizes, and she’s clear about what separates the foundation from so many of the other systems with which she’s worked. “They are so thoughtful about treating people as real human beings,” she says, “and drawing on best practices in human-behavior change. Most systems are very physician oriented, or oriented around maximizing efficiencies for the system itself. They have done an amazing job of keeping a genuine human focus: deep listening about values and culture, understanding the barriers to becoming more vital in people’s lives, serving people the way they want to be served rather than what’s most convenient for the system or the staff.”

Dr. Douglas Eby, SCF’s vice president of medical services, who has been with the foundation since 1989 and has been a key figure in the development of the Nuka System of Care, explains the

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difference this way: “Modern medicine was hugely influenced by the scientific revolution, the industrial revolution, the assembly line. And for what it was created to do, address treatable diseases and fix broken things, modern medicine does miraculously well. But that’s only about a third of what society now brings to the health-care system. We have basically medicalized life.”

How so? “You used to go to the doctor for this much stuff,” he replies, holding his hands a short distance apart. “But now you go to the doctor for *this much stuff*,” as his hands sweep apart from each other. “But we’ve applied the same assembly-line model to everything that’s being brought to health care: people who can’t sit still, who can’t socialize, who are chronically overweight. Traditional diagnosis, prescriptions, and treatment plans are truly secondary to that work, which is now two thirds of the work we’re being asked to do. Whether people take their meds, eat well, lash out violently—that’s almost entirely controlled by them, not by us. So our main work is to influence people and give them tools to be responsible for their health, to walk with them over time on their own journey to wellness. That’s why we have to do something different.”

That “something different” shapes everything SCF does: how it designs its facilities, who serves on its much-studied integrated-care teams, why it makes such extensive and unprecedented use of so-called behavioral health consultants (BHCs) and trains virtually everyone on its staff, right down to dental assistants, on how to recognize the warning signs of addiction, depression, or domestic abuse, and respond immediately. “The whole system is on guard for mental-health and behavioral issues,” says Chanda Aloysius, an Alaska Native (Athabascan Indian and Yupik Eskimo) who, like

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Katherine Gottlieb, started out as a receptionist and now serves as the system's vice president of behavioral services. Of the sixty-five thousand customer-owners in the system, fully 50 percent will have a "diagnosable behavioral-health event in their lifetime," Aloysius estimates.

SCF's human-centered outlook even shapes the language it uses to describe the population it serves. For example, and this doesn't roll trippingly off the tongue, everyone at SCF calls their patients customer-owners rather than patients, and wants their patients (sorry, customer-owners) to refer to themselves the same way. Just once during my many interviews and meetings with managers and staffers in Anchorage, I was hoping someone would use the word *patient* as shorthand, if only to simplify our discussions or provide a "gotcha" moment. Alas, it was not to be.

Why this commitment to a rather awkward piece of language? To raise everyone's standards for the system—and themselves—about how they should expect to be treated and what they should expect for their lives. "We want people to live and breathe ownership of their health," says Katherine Gottlieb. "We don't want to be the heroes who come in and cure you. We want our customer-owners to say, 'I am responsible for my own health and healing, and you are my chief adviser.'"

That same responsibility, she notes, applies to the foundation itself, and the remarkable fact that Alaska Native people now own and operate a system that for decades, in her words, "treated us like cattle." When that prominent *New York Times* editorial shined a spotlight on the Nuka System of Care, Gottlieb celebrated its publication. She wasn't looking to draw attention to herself (she's one

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of the most self-effacing CEOs I've met), but to make sure the foundation's customer-owners understood just how far they'd come, as well as their responsibilities going forward. "You are on the map," she told them. "People from around the world are coming here to learn what you've done. You're changing global health care." All this progress, she added, comes with a challenge: "You are responsible for your health, you cannot rely on doctors to make you well. But you are also responsible for your health-care system. You own it! So if you don't like something, change it."

"DO SMALL THINGS WITH GREAT LOVE" —WHY IS IT SO HARD TO BE KIND?

As I've argued throughout this book, much of the business culture is obsessed with big ideas, disruptive innovations, and one-of-a-kind strategies for change—the edgy, exciting material that fuels our competitive juices, hones our strategic edge, and (hopefully) makes for page-turning reads. But sometimes the simplest stories can teach the most important lessons about success, leadership, and life—especially when those stories remind us that great advances in creativity and productivity should never come at the expense of empathy and generosity. To be sure, the world confronts vast uncertainty, from unrest in the social climate to worrisome changes in the climate itself. The global economy is experiencing a deep-seated transformation, from unsustainable concentrations of wealth to the convulsive impact of computing and communications. But it is precisely during periods of such enormous upheaval