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Nuka: The “*Customer-Owner*” Model

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There ‘s a story about President **Lyndon Baines Johnson** emerging from the White House onto the lawn in the Rose Garden where there are two helicopters warming up.

“Your helicopter is over here sir”, says the spiffy young uniformed cadet as he snaps to salute his Commander-and-Chief. “Son,” says LBJ with his sun-beaten crinkly face smiling broadly, “They are all my helicopters.”

Like the US President’s helicopters, the people of Ontario own all the component parts of our healthcare delivery system. Patients’ organizations today are saying to the provincial government and to healthcare service providers “we own all the healthcare provider organizations, and we have an expectation that these various component parts of our healthcare services delivery system will collaborate to address our holistic needs.”

Imagine a healthcare delivery system where the patients and clients are treated like they “own” the place. There are in fact such *large-scale change systems* currently under construction.

The *Institute for Innovation & Improvement* defines **Large-Scale Change** (LSC) as “the emergent process of moving a large collection of individuals, groups and organizations toward a vision of a fundamentally new future state, by means of high-leveraged key themes, distributed leadership, massive and active engagement of stakeholders, and mutually-reinforcing changes in multiple systems and processes, leading to deep changes in attitudes, beliefs, and behaviors that sustainability becomes largely inherent.”

Since *Health Links* are Ontario’s attempt at large-scale change, health system leaders will no doubt be interested in understanding what a successful health system transformation looks like -- and what can we learn from others who have already gone down this path?

Last month in Vancouver, at the *Patient Experience West Conference* hosted by *The Strategy Institute*, I had the delightful experience, for a second time, to a very inspiring presentation by an Alaskan first nation's organization in the person **April Kyle** -- an energized, inspirational HR professional who told us wonderful stories about "what's possible" in a health service delivery system.

April also presented at last year's AOHC Annual Conference on “*People-Centred Care*”, where the CHCs had two presentations from the *Southcentral Foundation* in Alaska on their now world-famous “**Nuka Model**”. They have engaged in a large-scale transformation process that has enabled them to move beyond “patient-centred” care and “people-centred” to something much richer, deeper.

At these presentations we learned that when any one of Southcentral's 150,000 clients come to one of their hospitals or clinics, they are thought about (mental model), treated as (process design), and referred to (culture) as "Customer-Owners".

That is a very different healthcare system than our somewhat paternalistic version where we think "patient engagement" is an end-product, rather than a step in the redesign process.

Like the challenge facing each *Health Link*, Southcentral had to redesign the patient journey to become "person-focused", not "provider-focused". The *Nuka Model* of healthcare delivery is all about thinking and behaving and doing things differently – a fundamental transformation producing excellent balanced scorecard outcomes -- and very satisfied "owners".

"In our process redesign, we transferred control of the system to the people who are receiving the services and are using the expertise of our professionals to help them make decisions", says Southcentral's **April Kyle**. "That is a very different mindset than just being a customer, or patient. The Nuka system of care transcends the organizational boundaries because it includes our community, our partners, our stakeholders – all those things, all together," she told conference participants.

So what could Ontario's *Health Link* leaders and facilitators learn from the experience of health system re-design teams from the first nations' peoples in Alaska? I think we could learn how -- through their *Customer-Owner Redesign Process* -- they were able to achieve:

- A 50% reduction in urgent care and ER utilization;
- A 53% drop in hospital admissions;
- A 65% drop in specialist utilization; and,
- Customer and staff satisfaction rates over 90%.

Why did Southcentral's integrated healthcare delivery system achieve such dramatic performance improvements as a result of their large-scale change learning journey? *Health Link* early adapters ought to reflect on the **NUKA SYSTEM'S OPERATING PRINCIPLES** that include:

- **The hub of the system is the family;**
- **The interests of the *Customer-Owner* drive the system to determine what we do -- and how we do it;**
- **Customer-Owners are "active partners" in their care, and, in decisions about their care;**

- **Relationships between the *Customer-Owner*, the family, and health service providers must be fostered and supported;**
- **Emphasis on wellness of the “whole person”, family, and community including; physical, mental, emotional, and spiritual wellness;**
- **Population-based systems and services;**
- **Intentional whole system design to maximize coordination and minimize duplication;**
- **Outcome and process measures to continuously evaluate, learn and improve; and,**
- **Services are financially sustainable and viable.**

April presents multiple perspectives and insights into the transformation process that their integrated health services providers underwent to become truly "*customer-owner*" driven.

So, why does Southcentral succeed? How do they live by these *Operating Principles*? How do they get such great performance results? How did they become such a "great placed to work"?

There seems to be three main reasons: **1.** The macro *organizational design* of their healthcare service delivery system; and, **2.** The *common language & frameworks* for the staff to talk about, plan for, and implement change to the way they deliver services to their people. And, **3.** *An aligned culture* (thinking & behavior) that flows from the other two.

On the design side, I would say that *Nuka* reflects many of the characteristics of **Chaordic Design** conceived by **Dee Hock**, the founder and CEO Emeritus of VISA International. Dee Hock said: “By **Chaord**, I mean any self-organizing, adaptive, non-linear, complex system, whether physical, biological, or social, the behaviour of which exhibits characteristics of both order and chaos or, loosely translated to business terminology, cooperation and competition.”

In addition to macro-design and philosophy, the *Nuka Model* also relies on Southcentral’s 1,500 staff to share a “*common language*” and to use “*common frameworks*” that enable them to think collectively about their future, plan for it, and implement the changes required to achieve their vision.

When I review the successes Quantum has been involved with in the United States and Canada in the organizational and whole system transformation business over the last twenty years, the key to all these successful transform projects was the customized transformation curriculum that was presented by the organization’s own leaders that

provided the common language and frameworks for talking about, planning for, and implementing change.

Similar to the Quantum's learning-by-doing model, at Southcentral, all employees come together for 3-Day training workshops led by the CEO and senior team -- who strive to "practice what they are preaching" about being "open-to-learning". As a *Learning Organization*, they get their people to better understand themselves, and their own individual learning styles -- because they have learned that the more self-aware people are, the more empathic they become. Leaders in organizations undergoing transformation need to be empathic.

Human organizations (where 90% of people would rather die than change) that are undergoing a fundamental transformation, need *common frameworks* to talk about themselves, and about the organization, as everyone undergoes even more unrelenting changes. For the humans, change is often hard, messy work.

If *Health Links* are to succeed in the medium and longer term, they need to invest some time and attention to front-end developmental dialogues that build momentum and trust in the short-term. Nobody is under the gun to succeed quickly, or before the next election occurs. This is not a race. *Health Links* need to "slow down, in order to speed up the transformation process".

Each *Health Link* now has a plan approved by their LHIN – which the partners will continue to refine and adjust as circumstances evolve and shitstorms happen in their dynamic little complex adaptive human system. The key challenge ahead will be: *Strategy Execution*. How will the *Health Link* partners implement change? How can they become one of the 30% of Links that will succeed? What can we learn from the system transformation "lessons learned" in Alaska?

When we listened to the powerful stories about Southcentral's transformation journey from **April Kyle** at the recent Vancouver **Patient Experience West Conference**, we could understand the galvanizing forces that has enabled their 1,500 staff to build a much better system that is well beyond just "patient-centred". Indeed, it appears that these mental models are truly embedded in their organizational DNA. It is who they are. Who they are being.

"Among our highest corporate priorities", says April, "we invest in the development of our people with extensive learning workshops, coaches and mentors." Best practices suggested investing 1% to 5% of payroll budget on learning and growth of people.

Sometimes it means un-learning.

"We learn as little kids how to pick up a stone, throw it and hit the target, April told the gathering." "But we are not throwing stones, we're throwing birds... and the birds clearly have a mind of their own. We throw them towards the target, but they then head off towards the direction that they want to go in."

Conference participants learned how Southcentral created a fully-integrated healthcare and support services delivery system that has been designed to provide high-quality, seamless care that is customer/client patient-focused, and cost-effective.

How did they do that? By learning about working with "thinking birds". April's presentation outlines how Southcentral is a learning organization that has learned from their best mistakes, forgiven and moved on to the next level.

What are the first steps? Towards a patient-centred system?

In his article, “*What ‘Patient-Centered’ Should Mean: Confessions Of An Extremist*”, Don Berwick, the US quality guru, proposes his definition of patient-centred as: “the experience of transparency, individualization, recognition, respect, dignity, and choice in all matters, without exception, related to one’s person, circumstances, and relationships in health care.”

Berwick says that in the hospital sector his definition would mean:

- Hospitals would have no restrictions on visiting – no restrictions of place, or time, or person – except restrictions chosen by, or under the control of, each individual patient;
- Patients would determine what food they eat, and what clothes they wear in hospitals (to the extent that health status allows);
- Patients and family members would participate in rounds;
- Medical records would belong to patients;
- Shared decision-making technologies would be used universally;
- Operating room schedules would conform to ideal queuing theory designs aimed at minimizing waiting time, rather than to the convenience of clinicians;
- Patients physically capable of self-care would, in all situations, have the option to do it; and,
- Patients and families would participate in the design of healthcare processes and services.

So that’s a good place to start – the hospital sector. Building on this initial thinking from Berwick, *Health Links* partners ought to determine what “patient-centred/client-focused” actually means in the homecare sector, the primary care sector (FHTs, CHCs, solo-docs, etc) and in the community care sector (mental health, public health, etc).

Health Links partner teams that want to succeed in their quest to become "patient-centred", also need to address both their clients’ “expressed needs” -- as well as their “latent needs”.

“*Expressed Needs*” are the needs patients/clients/families can articulate because, they (a) know what they are getting now; and, (b) they know what they want instead. Their all-important “*Latent Needs*” are needs patient/families have, but because they don’t know about what they need, they can’t express it. So they can’t ask for it directly, because they simply don’t know.

Experience-based design *Storyboarding* techniques and tools are methods used way to surface these critically important “latent needs” -- in the co-design process with patients/family/staff.

Health Link leaders and facilitators who are open to "doing things differently", will find some thought-provoking new ways of looking at and thinking about the “same/old”, “same/old problems” from the insights of thought leaders like **Dee Hock, Barry Oshry, Margaret Wheatley** and **Peter Senge**, and from the “lessons learned” from such remarkable organizations like the *Southcentral Foundation’s Nuka Model*, and from Ontario’s own *Children’s Treatment Network* in York/Simcoe regions (check my Feb 11th blog post “[Learning From Our Past Successes](#)”).

While no doubt each *Health Link* has the capability within the staff and leadership to successfully achieve the goals that the local partners have committed to, the fact is experience teaches us that there will be a 70% failure rate for large-scale healthcare transformations like re-engineering, mergers, TQM/CQI, program management, etc. That reality ought to have some people feeling a little bit “at risk” as they begin their learning journey forward.

Governance Boards of *Health Link Partnerships* ought grasp the importance of an integrated collaborative approach to the success of their organization as a collaborative partner. Collaborative partnerships won’t happen in the absence of designing and aligning collaborative governance strategies, structures, cultures and skills.

Many Governing Boards will be focused on how their organization could be among the 30% of *Health Links* that will succeed. The Southcentral Foundation’s transformation journey suggests that alignment on the basics like vision/values, and the ability to engage the whole workforce in the strategic change process of their large-scale change project, are some of their critical success factors.

Smart *Health Links* will ensure that their individual governance boards are fully engaged in "failure prevention strategies", at the same time as they are advancing the components of the strategies that will lead to the overall success of their collaborative efforts.

I’m holding an assumption that governance boards of **Health Link Partners** want their individual silo to be a highly collaborative member of the *Health Link* the organization has joined and signed-off on a **Business Plan** in which the LHIN will hold the lead partner accountable.

Boards of *Health Links Partners* can learn from the **Nuka ‘Customer-Owner’ Model** as they provide collaborative governance on behalf of the "owners" of their organization, rather than the narrow self-interests of their silo.

Updated blog from March 25, 2013.

**FORWARD THIS BLOG TO COLLEAGUES WHO ARE INTERESTED IN THE
'CUSTOMER-OWNER' MODEL FROM ALASKA FIRST NATION.**

