

# 2014 Terrance Keenan Leadership Award in Health Philanthropy

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*The following remarks are excerpted from Mark Smith's acceptance speech upon receiving The Terrance Keenan Leadership Award in Health Philanthropy on March 6, 2014.*

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A couple of people told me earlier today, "I'm really looking forward to what you have to say," which, of course, is intimidating, and it's particularly intimidating because of this group.

I struggled actually to figure out something that I could say that would be useful to a group of such diversity and heterogeneity. In this room, we have very senior people who are interested in improving nutrition for toddlers or increasing breast feeding, and others who are interested in loans to community clinics or deep in the details of Medicaid waivers.

Some of you are brand new to philanthropy. You're bright-eyed, and you're idealistic. You're feeling a little guilty for even having a job at a foundation, trying to figure out why John Beresford Tipton rang your doorbell and made you a millionaire. You're trying to get over the guilt of feeling like you sold out your former colleagues at the free clinic, or the legal aid agency, or the government. You're trying to figure out how to get your grants approved. And yet you're very optimistic that your brand-new, innovative program, which you found on Charlie Rose, is going to transform life for those who are at risk, for whatever it is people at risk are at risk for.

On the other hand, we have some grizzled veterans in the room. You're cynical. You stagger from one board meeting to the next. You both plan and dread the next round of strategic planning. I'm reminded, 22 years ago, Hugh

Burroughs took me out to lunch as I was starting work at the Kaiser Family Foundation. He said, "Welcome to the world of philanthropy. You'll never have a bad meal or a real friend again." So, of course, all the old-timers in the room are now 20 pounds heavier and friendless.

So you see my challenge trying to figure out what I can say that would be useful to people of such a broad swath.

I don't actually work at a foundation anymore. I don't actually work anywhere anymore, so I have a lot more time to do things that I didn't used to do, including reading. I figured what I would give you: four book recommendations, three sets of thank yous, two musings on things that I've been thinking about since I became unemployed, and one riddle.

## THANK YOU

My three thanks. First, to Grantmakers In Health—this is an organization that I have seen grow, stumble, and recover spectacularly. I thank you for this honor. It's always humbling to be honored by one's peers. I have a feeling that no matter what you do—if you're a pediatrician, or a firefighter, or a high school teacher—if the people who know what you do, people who speak your jargon, people who can look behind the curtain and see the levers moving think that you did a good job, it's gratifying. That's who you are to me, and I am deeply appreciative.

Second, I want to thank my colleagues at the California HealthCare Foundation, past and present, whose creativity and passion have made possible the accomplishments that this award attributes to me. Philanthropy, like medicine, is a team sport, and no one gets very far in this business doing

## ABOUT THE TERRANCE KEENAN LEADERSHIP AWARD IN HEALTH PHILANTHROPY

The Terrance Keenan Leadership Award honors outstanding individuals in the field of health philanthropy whose work is distinguished by leadership, innovation, and achievement. Grantmakers In Health established this annual award in 1993 in honor of Terrance Keenan who, by example and instruction during his more than 40 years of service and contributions to health philanthropy, charged grantmakers with exercising the freedom to invest in leadership and develop new institutions and systems to confront major needs. He encouraged those in the field to embrace both the freedom to fail and the freedom to persist. He also challenged grantmakers to make "their self-concept as public trusts...the overriding article of their faith and the guiding force of their behavior." The Terrance Keenan Leadership Award is intended to stimulate others to strive toward this same standard of excellence and acknowledge those whose work embodies his spirit.

anything by themselves. To paraphrase an old saying, “If I have done anything of beauty or value, all praise is due to my colleagues past and present at the foundation.”

And the third set of thank yous is to my colleagues, teachers, and mentors in other foundations. Most of us here are burdened with lots of degrees from where we went to school to learn to be doctors, or lawyers, or social workers, or political scientists. But nobody goes to philanthropy school (actually I guess there are now a couple of philanthropy programs...). I learned my philanthropy at the feet of colleagues who had been there before and who taught me what I’ve learned—people like Chet Hewitt and Ann Monroe and others with whom I’ve worked in various capacities, but first and foremost, my colleagues at the Kaiser Family Foundation. I will always be in their debt.

### BOOK RECOMMENDATIONS

Here are four book recommendations. One is *The Path Between the Seas* by David McCullough, which is about the building of the Panama Canal. I recommend it highly, and I recommend it particularly if you can read it while you’re going through the Panama Canal. Because if you read it while you’re going through the Panama Canal, it makes real for you not only the tens of thousands of men from Jamaica and Barbados who died in the construction of the canal, but also the overwhelming vision and audacity it must have taken to take that task on a hundred years ago.

For any of us who do work for which the horizon is a year or two or three, it is humbling to think about the fact that the locks that they put in 1914 still work today. When you see what it must have taken to dig a trench across the top of Panama and lift a boat over the country and back down to the Pacific, it’s mind boggling. The book will teach you about American history and the birth of American lobbying, which actually laid the groundwork for half a century of foreign policy in Central America and trained the officials who carried out that foreign policy.

The second book is *Predictably Irrational* by Dan Ariely. I recommend it to you first because it talks about the power of context and expectation in everything. If you were to sit down at a meal that someone prepares for you in a restaurant, at the end of the meal, you get up, you give that person \$30. That’s expected. If you got up and gave your mother-in-law \$30 for doing the very same acts, you’d probably get slapped around the head and neck, and rightly so. It’s not the preparation of the meal that brought the \$30. It’s the context and expectation that shaped your behavior.

The reason this book is interesting to me is because those of us who do health philanthropy are often technocrats at heart. We’re mathematically trained. We’ve got degrees in public policy. When we find consumers, or patients, or voters, or politicians who act “irrationally,” we either get bewildered or more likely bemoan the lack of “leadership,” by which we mean: people who agree with us.

People do things for lots of reasons, and often the reason they do them is not immediately apparent to the people who are expecting, as economists for centuries expected, rational behavior. It’s only relatively recently that the field of behavioral economics has suggested that people don’t act in their own interest in rational ways. And it’s profoundly important if we think about the leverage points that all of us in philanthropy are trying to find.

The third book is *The Power of Positive Deviance: How Unlikely Innovators Solve the World’s Toughest Problems* [by Richard Pascale, Jerry Sternin, and Monique Sternin]. This is interesting because we spend so much of our time focusing on the things that don’t work, and sometimes the answer is to figure out who it is that, often without benefiting from grants from us, has figured out how to make it work. As opposed to focusing on the bad ones, let’s find that one in a thousand who somehow has figured out a path to positively deviate from all the bad things that we can repeat over and over again.

Last—I’ll be a little narcissistic—*Best Care at Lower Cost: The Path to Continuously Learning Health Care in America*, which is a report from the Institute of Medicine (IOM) by a committee that I was privileged to chair. Our committee took the standpoint that I think might be helpful for you to think about, which is that the fundamental problems of the American health care system are its costs and complexity, both of which are actually consequences of the successes of the American health care system. When we talk to clinicians about why things are bad, rather than saying, “It’s all your fault, everything you thought you knew and everything you’ve been trained for is all wrong,” we should start with the realization that the last 60 years have seen this amazing growth of biomedical information and competence. And yet the methods by which we pick, train, deploy, organize, pay, and refresh the workforce of our system are probably 30 years behind the biomedical science. It’s not their fault. It’s that our systems haven’t kept up with the biomedical science.

Even in the realm of prevention, the gaps that we have in preventive medicine don’t correspond with the history of having a medical care system, which didn’t know how to prevent things, things that we now take for granted. Pap smears, mammograms, control of hypertension are relatively recent in the history of medicine. And there’s much more to come. Genetics, genomics, proteomics, all sorts of other “-omics” are going to place even more pressures on our systems to keep up with the pace of change in biomedical science.

Those are four books you might not otherwise come across that have stimulated my thinking about things.

### MUSINGS

I have two musings. The first musing is directly related to the last book, and it is that we are often victims of our own success. If you start with *Predictably Irrational* and say expectation and context are everything, if you then go to the IOM report and say we’re victims of the complexity that

the success of the system has wrought, it might change how you approach these problems.

Even in prevention, you might point your finger at people and say, “You fat bastard, get off the couch and get rid of those Ding Dongs”—there are a number of narratives about why we are so obese in America. One of them is: It’s Big Food, or Big Candy, or Big Soda that is the problem. To be sure, there’s some truth to that. There are clearly some policy levers that need to be moved. But I have another potential framing of that problem. For most of human history, mankind has been in a desperate struggle to find enough calories to survive, and in a desperate struggle to alter the work necessary for production to reduce its toil, and injury, and danger. In the last hundred years, our system of industrial agriculture has now essentially made calories free, and our system of work has made caloric output necessary to survive essentially trivial, which is why you can walk into McDonald’s and the portion of the price of the cheeseburger that’s attributable to the calories is almost negligible. That’s why they can “super size” it. We get back in our cars, drive to work, sit at our desks all day and move our fingers rather than our hips, and then have to buy a gym membership to work off the calories that two generations ago we would have been desperately trying to conserve.

What I’m suggesting to you is: The problem of obesity in America is in some ways not as simple as being reductionist about the role of Big Food or Big Candy. It’s the collision between 250,000 years of homo sapiens evolution and a hundred years of industrial agriculture—not likely to be solved by simple, simplistic solutions. We are victims of our success here. Let’s start with that understanding—that the same forces that brought us here can help get us out. It strikes me that that’s a useful place to start.

The other musing I have has to do with accountability and structure. One of the great privileges of working in philanthropy is that in some ways you don’t have voters, or shareholders, or viewers, or any other kind of external accountability structure. We are accountable to ourselves, and I think that is a good thing. Most of the people who say they want philanthropy to be “more accountable to the public” mean that they want you to give money to their cause rather than the cause you’re giving money to. I’m not against the accountability of philanthropy to itself, but because we don’t have these external mechanisms for accountability, we have to create them.

For 22 years, I used to get up at six o’clock in the morning at the latest because I had to be showered, dressed, exercised, fed, and at the office by 8:30. Now most days I get up whenever I want to. So I have to create some other internally derived structure for my day because I don’t have this external thing that makes me get up by six o’clock. Similarly, I think the risk in foundations is that we will be so snowed by the purity of our intentions and values that we’re not so tough on the actual product of our actions. We’ve got to create, in a sense, that external accountability mechanism.

Now, my friend, mentor, teacher, and former boss Drew Altman talked about this point compellingly when he accepted this award several years ago, about the pendulum between measurement and non-measurement that swings back and forth in philanthropy. That is, I think, the fundamental challenge that we have. If we do only things that we can measure and attribute to our efforts alone, we will wind up working only on trivial things, because there’s nothing that’s very important that we’re going to get done by ourselves.

On the other hand, if we just satisfy ourselves by fighting the good fight, without regard to who actually won, then we will squander this precious opportunity that we’ve all been given to use what are really in the end minimal resources with maximal creativity.

It’s important for us to be tough on ourselves about what we’re actually getting done rather than how pure our motives are, and it can be humbling. As Gloria Steinem once said, “The truth will set you free, but first it will piss you off.”

## A RIDDLE

I said I would give you thank yous, which I’ve done. I said I’d give you some book recommendations. I recommend all those highly to you. I’ve given you two musings from the current phase of my life, and I said I’d leave you with a riddle.

What is it that bull markets and sex have in common with a career in philanthropy? All three are terrific just before they end.

Thank you very much.

## ABOUT MARK D. SMITH

Mark Smith was the founding president and CEO of the California HealthCare Foundation (CHCF) and served from 1996 through 2013, guiding the organization to be one of the most forward-thinking foundations in the country. Dr. Smith is a clinical faculty member at the University of California-San Francisco, and an attending physician at the Positive Health Program for AIDS Care at San Francisco General Hospital. Prior to joining CHCF, he served as executive vice president at The Henry J. Kaiser Family Foundation. He previously served as associate director of AIDS services and assistant professor of medicine and of health policy and management at Johns Hopkins University. Dr. Smith received a bachelor’s degree in Afro-American studies from Harvard College, a medical degree from the University of North Carolina at Chapel Hill, and a master of business administration degree from the Wharton School at the University of Pennsylvania.