The Physician MBA
Should You Consider It?

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Objectives

• *Upon completion of this lecture participants should be able to:*

• Evaluate the benefits of a business education for a practicing physician

• Have a better understanding of time and financial commitments required to obtain the MBA degree

• Consider alternatives to the MBA degree
Disclosures

• No Disclosures
Introduction

• Practiced Dentistry in Ohio prior to pursuing joint degree program
• First Joint degree MD/ MBA graduate from the Wake Forest School of Medicine in 1997
• Served as Director of Otolaryngology at the Arrowhead Regional Medical Center in Colton California 2003 to 2005
• Joined ENT of Georgia in January 2006
• Current Treasurer of the Metro Atlanta Educational Society for Otolaryngology
History

• 1995 Tufts University School of Medicine was the first to introduce the combined MD/MBA track
• Now at least 65 schools offer the combined program
• Approximately 500 students total are currently enrolled in these joint programs
• At least 2000 physicians are enrolled in Master’s degree level programs to improve their business and management skills
• Desire to use the MD degree to do something other than direct patient care
• Programs tailored towards physicians emerged during the 1990s
• Health plan mergers, reduced reimbursement, hospital and practice mergers
• Survey of 161 MBA physicians reported in the 2007 Journal of Bone and Joint Surgery found that:
  • “Learning about business aspects of the health care system” primary reason
  • “Finding a more interesting job” second most common response
• Time on patient care fell from 58.3% to 31.8%
• Administrative duties rose from 11.8% to 33.5%
ORGANIZATIONS

• Association of MD/ MBA Programs
• Marie Young Chandler MD, MBA founder and president
• www.mdmbaprograms.com

• Americal College of Physician Executives
• Dr. Barry R. Silbaugh CEO
• www.acpe.org
Types of programs

• Physician Executive MBA
• Estimated cost $50,000 - $60,000
• Intensive one to three year program geared towards Physician entrepreneurs and looking towards administrative and leadership roles in health care
• University of Tennessee
• University of South Florida
• UC Irvine
• University of Massachusetts offers an MBA through the American College of Physician Executives
Types of programs

• Traditional MBA
• Estimated costs $20,000 to $80,000 for a two year program
• Traditional master’s of business administration course of study, and not geared toward physicians specifically
• For physicians who want to compete against non physicians in the marketplace, and for those who want to work outside traditional health care ventures
Types of programs

- Management Training
- Estimated cost $2000 - $3000
- Offered by community colleges
- Low cost alternatives and only take about six months to complete
- Physicians who want training for managing their current practices
Types of programs

- Management certificates
- Estimated cost $7500
- Nine month university programs
- Physicians who want training for managing their current practice
Types of programs

• Seminars
• Costs $90 - $2000
• A variety of low cost live and online seminars, many offered by physician and practice management associations
• MBA Books
• The Ten Day MBA by Steven Silberger
• The Physician Essential MBA by Stahl and Dean
Local Programs

• Emory University Goizueta Business School MD/MBA joint program
• Emory Goizueta Business School Executive MBA programs
• UGA Terry College of Business Executive MBA Program
• Kennesaw State University Coles School of Business Executive MBA Program
• GA Tech Scheller College of Business Executive MBA Program
• Mercer Stetson School of Business and Economics executive MBA Program
Program integration

- Survey of 92 MD/MBA students found desire for better integration of the business and medical curriculum.
- Survey of 16 MD/MBA program directors also pointed towards better integration, collaboration and coordination between programs as a top need.
- Medical education is more standardized.
- MBA programs can vary from entrepreneurial to traditional corporate training programs.
- No standardized exit exams for business programs training.
- Newer more integrated programs emphasize more the healthcare and medicine oriented business.
Program integration

• Medical school self reliance leads to self determination
• MBA no success without collaboration and teamwork
• Didactic instructional approach typical in Medical school is rarely used in business schools
• Unilateral decision making and top down orders are less valued
• Successful leadership also requires team building, the ability to listen, and the willingness to share power
MBA Curriculum

- Accounting
- Financial Management
- Information Technology Management
- International Business Management
- Macroeconomics
- Management Communication
- Managerial Economics
- Marketing Management
- Operations Management
- Organizational Behavior
- Quantitative Methods
Physician Executive Program

- University of Tennessee’s Curriculum for Physician only program started in 1998
- Change and strategy in the Healthcare industry
- Economics and Healthcare Policy
- Health Policy for the Physician Leader
- Managing organizational Design
- The Practice of Marketing
- Measuring Business Performance
- Cash Flows, Expansion and Access to Capital
Physician Executive Program

• Designing, Managing and Improving Health Care Operations
• Disease Management
• Strategic Leadership in the Healthcare Industry
• Business Law and Business Ethics for Physician Leaders
• Statistics and Decision Making
• Continuous Quality Improvement
• Information Technology
Physician surveys

- Develop skills as executive leaders
- Develop basic business skills
- Executive positions with hospitals or health systems
- Opt out of clinical practice
- Consulting or Entrepreneurial ventures
- Adapting technology to healthcare
- Use of social media in marketing
- Healthcare Analytics
- Improve overall effectiveness and efficiency
- Non medical related business ventures
MBA Benefits

• Big picture view of business, operations, leadership skills, language, theory and principles
• Equivalent to first two years of medical school
• May be overkill for some physicians
• Difficulty applying the principles to the individual practice situation
Non-Physician VS Physician MBAs

• Vast majority of MBA students have been in the business setting for 3 to 6 years and have been working in a business context
• Physicians usually have 5 to 10 years of clinical practice, after 3 to 7 years of post doctoral training
• General business view:
  • Physicians don’t have experience in business (not including running a practice)
  • Not willing to join a company as a junior member
  • Unrealistic expectations about base salaries
Reasons to obtain an MBA

• Business skills education
• Business world language
• Broaden business connections through interactions and networking with other participants
• The degree may be an expectation for physicians in medical management careers
Do you need an MBA?

• *Healing is an Art*
• *Medicine is a Profession*
• *Healthcare is a Business*

• The ability to enter the business world in fields such as pharmaceuticals, biotechnology, information technology is more dependent on specific accomplishments that demonstrate business acumen and problem solving skills
• It is necessary to understand your motivations and expected outcomes before investing time and financial resources to the pursuit of the MBA degree
Thank You

• Questions ?
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