

MBA Pursuit Opens New Doors, Opportunities for Physicians

By Ed Rabinowitz

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The times they are a-changin', as Bob Dylan would sing. Whereas physicians have historically invested time in continuing their medical education throughout their careers, today they're doing so with a more business-like approach. Business as in Masters in Business Administration.



“In order to be an effective, all-around advocate, I feel like an MBA is necessary,” explains Brian Hurley, MD, national president for the American Medical Student Association who recently graduated from the University of Southern California with a combined MD/MBA degree. “In medical school, you learn a lot about diagnosis and treatment, but I realized I wasn’t learning anything about how to manage healthcare—about finance and accounting.”

Educational facilities are realizing that as well. According to the National Association of MD/MBA Students, there are currently 54 schools in the U.S. that offer a dual MBA and MD degree. Ten years ago, there were fewer than 12.

New career goals

Today’s medical school students are taking a different approach to a career in medicine, making an MBA almost a necessity. Jennifer Holmes, an MD/MBA candidate attending Texas Tech University, says obtaining the combined degree is challenging, but acknowledges that it’s essential if she wants to achieve her goals. “After I graduate from medical school and establish my own practice, I would be very interested in going into health insurance reform,” explains Holmes, who recently completed her second year. “Having an MBA will help in that venture, and also increase the chance that I will be listened to as someone with knowledge in that regard.”

Holmes says that the majority of her classmates are interested in going into some type of administration work, either as a hospital administrator or with another type of healthcare system. Most intend to practice medicine, but are taking a long-term view and considering what they want to do after they’ve been practicing a while. And some simply want to be able to run their own practice better. “The doctors I’ve spoken with who have been practicing for about 5 years say learning how to run a business has been the most difficult transition for them,” says Holmes.

Business is booming

Young medical school students aren’t the only ones recognizing the importance of an

MBA in today's changing healthcare environment. Professor Bruce Bachenheimer, director of entrepreneurship at New York's Pace University, says quite a few established physicians are returning part-time at night for their MBA.

"The doctors coming in recognize that insurance and medical billing are making it much more difficult to be a doctor," Bachenheimer explains. "They're part of a cog of a much larger wheel, and [healthcare] is much more of a business. That has prompted some doctors to say, 'Let me understand the business so I can play this game better.'"

Some of the physicians Bachenheimer has spoken with don't want to work directly in medicine, but instead want to use medical training and an MBA to help launch new medical start-ups. Others are interested in wireless medical technology, so they need to be aware of the business side of the equation. And some simply want to take over an existing practice and need to better understand the business aspects that are involved.

"Other doctors are just tired of medicine," Bachenheimer admits. "I had one family doctor say to me that when patients walk in, he can tell in two minutes what their problem is, and it almost gets mundane. He just wants to do something else."

Something for everyone

Don't have the time to invest in obtaining a MBA but still want to better understand what is occurring in the global economy and how that affects your field of medicine? Programs like Boston University School of Management's Pocket MBA for Physicians might be the way to go. The two-module, non-degree program is designed for physicians who want to better understand the business side of healthcare without leaving their practices.

Healthcare is a business, explains Elizabeth Nassar, director of BU's executive education programs. Physicians need to better understand how that business operates. "Physicians don't understand why they're constantly being asked about the bottom line," she says. "They don't understand how the business of hospitals has changed their world, and they want to have the vocabulary to be able to play on the team."

The program recently completed its first year, and Nassar says the physicians who attended came in hungry for knowledge and understanding. "I have never been involved with a group where there was more talking," she explains. "I was blown away by the level of concern [the physicians] had for finding out how business systems and the methodology of a MBA could really help them to deliver better patient care."

The two-module program begins in November, and is limited to 30 participants.

Ed Rabinowitz is a veteran healthcare reporter and writer. He welcomes comments at edwardr@ptd.net.