

Story Summary

Healthcare reform has presented challenges best met by those with both medical and business training.

A growing number of mid-career physicians are returning to school to pursue an MBA. **Armed with business skills and knowledge**, they are thriving in the midst of a changing healthcare landscape.



Big Data and population health analytics are key to providing evidence-based treatment, value and good outcomes.

Business-savvy physician leaders serve as cross-cultural agents, bridging the gap between medicine and management. They help reduce costs while improving care.

BY KOREN WETMORE

THE REFORMATION

Healthcare Changes Spur the Rise of the MD | MBA



While some may fear change, Jefferson President and CEO Stephen Klasko, MD, MBA, embraces and inspires it. So as others strive to reform healthcare, he's busy reimagining it.

Klasko employs technology with a patient care focus through initiatives such as JeffConnect—an app that allows patients and families to video chat with doctors—and hosting hack-a-thons that spur ideas for improving healthcare access and delivery. He also recognizes and seizes opportunity when it arises, as evidenced by Jefferson's recent merger with Abington Health System and pending mergers with Aria Health and Kennedy Health, which will bring Jefferson's clinical expertise to a broader population. Yet it's no accident that the veteran ob/gyn and academic leader shows such business acumen.

He's also the proud possessor of a Master's in Business Administration.

Some argue that people like Klasko, who have merged their medical expertise with business savvy, are healthcare's future. In its 2014 white paper, "The Value of Physician Leadership," the American College of Physician Executives argues that as reform drives more administrative decisions to impact clinical care, a physician's patient-centered perspective will be vital. It also emphasizes the need for physicians with business skills who can bridge medicine and management.

According to the American Hospital Association, those skills include medical economics, analytics, population health management and the use of information technology.

Anne Boland Docimo, MD, MBA, chief medical officer for Jefferson Health, and David Nash, MD, MBA, the Dr. Raymond C. and Doris N. Grandon Professor of Health Policy and dean of the Jefferson College of Population Health.



WHY AN MBA?

Medical school prepares future physicians for medical practice, but offers little to no instruction in the business basics needed to successfully run an organization, communicate with colleagues or plan strategically. Although some skills can be gained through experience and on-the-job training, gaps often remain in aspects such as finance, analytics and marketing.

All of which can affect even the most seasoned professional.

"There's a fear when you're in a business meeting and people start talking about multiples in terms of investment or forecasting," says Alex Vaccaro, MD, PhD, MBA, president of the Rothman Institute and the Richard H. Rothman Professor and Chair of Jefferson's Department of Orthopaedic Surgery. "Say we want to purchase a hospital. Can you forecast the populations of patients that will be served? Can you forecast earnings to see if we have a margin? You learn how to do that when you get an MBA."

Vaccaro, who earned his MBA in 2015, pursued the degree after 22 years in medical practice. Prior to his MBA training, he worked to maintain the success of the departments and teams he led. Now his vision is much larger. "I realize we can be bigger and better. Because of what I've learned, I can now talk to groups about mergers, acquisitions and focusing on scale and scope."

For some physicians, impending growth drives their decision to get an MBA.

When plans emerged to expand the Jefferson Myrna Brind Center of Integrative Medicine's reach—including the recent launch of the Brind-Marcus Center in Villanova, Pa.—Dan Monti, MD, MBA, the Ellen and Ron Caplan Professor and Director of Integrative Medicine at Jefferson, chose to pursue the degree.

"Growing new practice sites really requires some business acumen and strategy," Monti says. "It's one thing to have an idea to expand; it's another thing to really understand the pro forma for expenses and revenues, and to develop a five-year strategic plan. To be able to do



Cataldo Doria, MD, MBA, the Nicoletti Family Professor of Surgery and director of the Jefferson Transplant Institute.



Orthopaedic surgeon Antonia Chen, MD, MBA.

things like estimate margins and break-even analyses goes hand in hand with modeling strategic growth.”

Healthcare reform and an increasingly competitive market led Cataldo Doria, MD, PhD, the Nicoletti Family Professor of Surgery and director of Jefferson’s Transplant Institute, to pursue an MBA. His coursework is nearly complete, and Doria has already seen benefits from his training.

“I saw that our business model, which for years involved asking local physicians to send us patients, had to change. In Philadelphia there are more healthcare centers than restaurants, so why should doctors send people to us?” Doria says. “So we created the Jefferson Transplant Institute and now instead of referring patients, doctors become our partners.”

The new model employs collaboration where patient tests, X-rays and follow-up are done by the treating physician, while the transplant surgery is done at the main Jefferson hub. As a result, patients receive streamlined service and Jefferson engages more doctors and serves more patients.

NO MAGIC BULLET

Business training benefits have become so apparent that they have triggered false notions about what an MBA program can do. In fact, some have come to view it as a “magic bullet” that automatically produces great leaders. However, like any educational opportunity, an MBA simply provides new knowledge and skill sets. Your professional outcome will depend on your individual motivation, effort and experience.

“If you go to business school with the idea that when you emerge you’ll take over the hospital where you work, that’s unrealistic. You still have to earn your leadership stripes through jobs with increasing levels of responsibility and accountability,” says David Nash, MD, MBA, the Dr. Raymond C. and Doris N. Grandon Professor of Health Policy and founding dean of Jefferson’s College of Population Health. “What the degree does is enable you to shuttle back and forth between the culture of medicine and patient care and the culture of resource allocation, leadership and strategic planning. It usually leads to leadership opportunities, but it’s not a given.”

Nash shares this wisdom as he fields calls from doctors interested in the new online MBA program developed in collaboration with Strayer University’s Jack Welch Management Institute (JWMI). Offered through JWMI, the program features an innovative MBA curriculum, but with a healthcare emphasis, thanks to the addition of four courses created by Jefferson’s College of Population

Health. Designed for both mid-career doctors and non-physicians, it offers an overview of population health and provides the knowledge base needed to address the challenges of a shifting healthcare landscape.

Yet mid-career physicians who have pursued an MBA are quick to stress that the degree doesn't so much transform as enhance your natural abilities.

"Getting an MBA didn't make Stephen Klasko a visionary. Rather, the MBA gave him the necessary toolset to bring his vision to reality," says Anne Boland Docimo, MD, MBA, chief medical officer of Jefferson Health.

Docimo spent more than a decade working in emergency medicine, led two urgent care centers and redesigned the documentation and patient flow for several departments prior to getting her MBA in 2000. Her knack for administration and operations was solid, but business training gave her a better understanding of marketing and finance. For part of her coursework, she developed a marketing plan for Patient First urgent care centers in Baltimore. "An MBA provides the skill and knowledge needed to partner with business people in medicine to develop and implement clinical strategy. That's the job we do. Our business just happens to be healthcare."

And that business is rapidly evolving.

CHANGES AND CHALLENGES

Healthcare spending in the United States surged to \$3.1 trillion in 2015 and is expected to rise an average of 5.8 percent a year until 2024. The increase has been attributed to everything from the rising cost of prescription drugs to the expansion of insurance coverage under the Affordable Care Act. Ironically, the ACA calls for reforms to control costs along with provisions to improve care and access.

"We have to pay attention to finances and outcomes in a way that we never had to before. It doesn't matter which

specialty or environment you're in, understanding the business of medicine is crucial to survival," says Monti. "Every decision you make has consequences, and the more knowledge you have to make an informed decision, the better the outcome."

Under ACA provisions, medical providers must now show proof that the treatments given are effective. Volumes of data must be gathered and interpreted in a useful way, which calls for expertise in health analytics and information technology.

Orthopaedic surgeon Antonia Chen, MD, MBA, specializes in hip and knee replacement surgery. Healthcare reform has changed how she designs research studies, which now include economic and patient survey data. In a recent comparison of treatment outcomes for partial vs. total knee replacement surgery, Chen included factors such as work loss, time on disability, life expectancy and patient satisfaction.

"We used statistical models to determine which surgical procedure is more ideal in a certain patient population vs. another. A research fellow and statistician did the actual equations, but my MBA background helped with designing the model and knowing what inputs to include," says Chen.

Such population health analytics are also vital in the reformed environment, where reimbursements are no longer based on services rendered but rather the value provided.

"It's essentially Big Data coming to healthcare," says Nash, who's coined the term "no outcome, no income" to describe the shift from a service-based model to one based on value and outcome. "No outcome, no income means that you better understand the system of care and how it's organized in order to achieve a good outcome. So you need the information infrastructure to get the data to help you figure out how you're doing. And, when you achieve a good outcome, you'll be rewarded."

"The adage that you can't wear the suit
and the white coat is nonsense.
Good business and good medicine go hand in hand."

—DAVID NASH, MD, MBA



FOR PROFIT OR PATIENTS?

Some fear physician leaders who pursue MBA training might shift focus from patient care to the business bottom line. Or, at the very least, have trouble balancing the two.

Nash disagrees.

“The adage that you can’t wear the suit and the white coat is nonsense. Good business and good medicine go hand in hand,” he says. “A business person in healthcare will reduce waste, free up resources and improve care.”

An MD/MBA is actually better equipped to make decisions that benefit patients while staying fiscally sound, says Maria Chandler, MD, MBA, president and founder of the Association of MD/MBA Programs. She offers the example of a surgeon who requested a new MRI machine. When the CEO asked how he planned to pay for it, the surgeon had no response.

“Often as a physician you don’t know how to tell a large corporation how to afford something that you need. An MD/MBA would have the business skills to say, ‘If we get a new MRI, I could see patients in half the time, which means I could see twice as many. Here are the statistics and finances showing how the machine will pay for itself in two years,’” Chandler says.

Alex Vaccaro, MD, PhD, MBA, president of the Rothman Institute and the Richard H. Rothman Professor and Chair of the Department of Orthopaedic Surgery; Sabrina Bazzan, JD, MBA, administrator for the Myrna Brind Center of Integrative Medicine; and Dan Monti, MD, MBA, the Ellen and Ron Caplan Professor and Director of Integrative Medicine.

Just as healthcare reform is driving physicians to change and acquire business skills, Chandler believes the growing trend of business-savvy physicians will in turn drive change in healthcare. “If you equip doctors with business skills, they’ll show you how to take care of patients while doing it at a better cost. Give these really brilliant people the tools they need, and they’ll turn the industry around.”

The rise of the MD/MBA appears to be upon us. Nearly half of the nation’s medical schools have added a dual MD/MBA degree track, and growing numbers of seasoned physicians are returning to school to acquire their MBA. In the future, business training may even be incorporated into the core medical curriculum, eliminating the need for a second degree.

“Maybe by 2025, people will understand that the road to improving outcomes, reducing waste and treating people more equitably is paved with these new skill sets,” says Nash. “I regret that I probably won’t live to see it, but it’s been a fun mission to be engaged in.” ●