

The Rapid Growth of MD/MBA Programs: Are They Worth It?

By Lola Butcher

In this article...

Take a look at what's fueling the growth of MD/MBA programs across the country and even around the world.

As the need for management skills for physicians becomes ever more evident, the number of MD/MBA programs has doubled in the past decade. About 65 dual-degree programs are offered in the United States, with more on the way.

At the annual meeting of Association of MD/MBA Programs last year, 48 universities from three countries were represented. Maria Young Chandler, MD, MBA, the association's founder and president, said three medical schools sent representatives to the conference to learn how to add an MBA degree to their curriculum.



Chandler

"I have been pushing for the past two years to get all U.S. medical students to be able to have the opportunity to get the dual degree if they want it," said Chandler, the MD/MBA faculty advisor and associate professor at University of California-Irvine's College of Medicine.

The MD/MBA programs association was started in 1997 when only a handful of medical schools offered the dual degree. It gained status as a 501c3 non-profit organization in 2008. Now more than half of the nation's 133 accredited medical schools allow students to simultaneously pursue the two degrees.

Moreover, two Canadian medical schools offer the MD/MBA, and the Karolinska Institutet, a medical school in Stockholm, is working to develop a dual-degree program.

Overall MD/MBA enrollment numbers are not available, but the dual degree is gaining traction across the country. At UC-Irvine, Chandler reports that about 15 percent of the

students entering medical school each year enroll in its five-year MD/MBA program, offered in conjunction with UCI's Paul Merage School of Business. That proportion is higher than most schools, she said, in part because the West Coast has fewer dual-degree programs than the East Coast.

One of the most prolific programs is the MD/MBA in health management offered by Tufts University School of Medicine and the Heller School for Social Policy and Management at Brandeis University. Marcia Boumil, program director, said between six and 15 students enroll in the dual-degree program each year.

What prompts the growth?

The growth is fueled by individuals who want to use their MD degree to do something other than direct patient care and by those who want to improve patient care through good management of the system—whether that is a physician's practice, a hospital unit or the entire organization—in which care is delivered.

At the Association of MD/MBA Programs meeting last spring, Peter Slavin, MD, MBA, president of Massachusetts General Hospital, said the skills needed to succeed in business management are similar to those needed to succeed as a physician. He identified the ability to listen and treat others with respect as two top skills, and he compared diagnosing a patient's condition and devising a safe and effective treatment plan to analyzing a management challenge and developing an appropriate strategy.

"What's frustrating is that sometimes when you take people who are great physicians and put them in a management setting, they behave like three-year-olds," he said. "Some people can make the translation, and others seem to have a hard time."

Michael Ward, MD, MBA, operations research fellow at the University of Cincinnati, believes that traditional medical school training may be to blame. Medical students learn that self-reliance leads to self-determination; MBA students learn there is no success without collaboration and teamwork.

“In medical school, it’s up to you to get everything done, to study, to get the grades, to get the residency, whereas business school is about working together on team projects and your results are based upon being successful at that,” he said.

“Ironically, in health care, we’re finding that the more you use team-based approaches and multidisciplinary approaches, the better the outcomes for the patients. But that’s not how physicians are trained.”

In fact, the didactic instructional approach typical in medical school is rarely used in business schools. Similarly, unilateral decision making and top-down orders are less valued in the business world than in medical school, and credentials are less important than results.

That’s why Chandler finds medical students are sometimes humbled when they take business classes because their MD training does not necessarily impress their fellow students.

“I think that’s good for someone who’s going to lead,” she said.

Of course, a take-charge approach is essential in certain patient-care situations, Chandler said. But MD/MBA students learn that successful leadership also requires team building, the ability to listen and the willingness to share power.

“You should not think that it’s a dictatorship and you’re going to make all the decisions at the hospital,” she said. “Leaders need to be able to say, ‘Look, I may be the CEO, but I want everyone’s input. Let’s all sit down and talk about this so everyone has buy-in to our decisions.’”

What differentiates programs?

As MD/MBA programs have proliferated, the MBA component has emerged as the significant differentiator between them.

“Med schools are pretty similar, and you know what you’ll get at each

Is the Dual Degree Worth It?



Kim

As the founder of the popular website NonClinical Jobs.com, Joseph Kim, MD, MPH, encounters many physicians who are thinking about pursuing an MBA.

In many cases, he thinks it is a good idea. Young graduates who are eager for a job in industry can use an MBA to compensate somewhat for a lack of work experience. Older physicians can point to the MBA as evidence they are serious about a career transition.

“For a physician who has been in practice for a while but has no medical management experience, I feel that the MBA gives them a level of credibility to pursue what I call higher-level types of jobs,” he said.

However, Kim thinks many physicians are naïve about the value of an MBA.

“There is a misconception out there in the physician community that you need to have an MBA to succeed in the nonclinical world—or that having an MBA will guarantee you a job in industry,” he said. “Both of those perceptions are incorrect in my opinion.”

That said, two recent surveys suggest that physicians who hold an MD/MBA degree consider it to be worthwhile.

While pursuing his MD/MBA degree, Joshua T. Goldman, MD, MBA, surveyed 55 MD/MBA graduates who completed their studies between 2003 and 2009. He presented findings from that survey in a poster presentation at the Association of MD/MBA Programs annual meeting in April 2010.

“It seems that these people are pretty happy, which is interesting in a world where many doctors are frustrated,” said Goldman, who is now a family medicine resident at the University of California-Los Angeles.

He and a co-researcher conducted the research to determine whether MD/MBA graduates consider the dual degree to be worth the money and time needed to obtain it, whether it has helped them in their careers and whether the programs provided the training they needed and wanted.

“Is this something that’s useful?” he said. “Or are we asking people to spend an extra \$100,000 on tuition and a year of their life for something they’re never going to use?”

The respondents spoke loud and clear on that question: 93 percent of the graduates said they considered the MD/MBA degree worthwhile and 89 percent said it had “significant ROI.”

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The MD/MBA Degree Combination: Quantifying Its Utility

How satisfied are you in terms of your

Answer Options	Not Satisfied	Somewhat Satisfied	Satisfied	Very Satisfied	Extremely Satisfied	Rating Average	Response Count	
Career	1	4	4	19	18	3.88	56	
Income	3	8	18	14	12	3.44	55	
Lifestyle	1	3	20	19	13	3.71	56	
Home Life	2	2	19	17	16	3.77	56	
							answered question	56
							skipped question	15



place,” Ward said. “MBA programs are more like law school—where you go really matters.”

When Joshua T. Goldman, MD, MBA, conducted a survey of MD/MBA graduates (see sidebar), he found a fairly even mix among individuals who pursued corporate management careers and those who were more entrepreneurial. He suspects MBA programs influenced career paths.

“Some business schools really emphasize entrepreneurship, while other schools like Harvard and Wharton are more traditional corporate training programs,” said Goldman, a family medicine resident at the University of California-Los Angeles.

To prepare their students for the standardized examinations required to practice, medical schools must focus on a specific range of material.

“In business school, there’s no exit exam, and there’s no standard required by the government in order to practice business,” Goldman said. “I tell people ‘when you go to medical school, you’re going to learn the same thing anywhere you go. In business school, you’re going to learn very different things, depending on that

school’s strengths. So find the school that has the things that you want to learn.”

Entrepreneurial by nature, Goldman used that approach to choose the dual degree program offered at University of Southern California Marshall School of Business and Keck School of Medicine.

During medical school, he founded House Call, MD (myhousecallmd.com), an advertising-supported health information website, and he continues to serve as its CEO. During his residency, Goldman is serving as director of strategy for Insight Oncology, a consulting and management firm.

Goldman intends to complete a sports medicine fellowship, but his long-term goal is to develop comprehensive outpatient centers that bring primary care physicians, specialists and ancillary services to a single location.

Ward graduated in 2006 with the MD/MBA degree at Emory University, where leadership is a major focus of the business curriculum. He used that leadership training to start the National Association of MD/MBA Students, of which he is president, and to work on improving patient

flow during his residency at the University of Cincinnati Department of Emergency Medicine.

Through his fellowship in health care operations research at the University of Cincinnati, Ward is working to develop a better health care delivery model. “I have always felt that if you understand what happens with the money in health care, you can have more of an impact on health care,” he said.

Not yet fulfilling potential

Despite the growth of MD/MBA programs, the dual degree is still young. More than half the programs have started since 2000.

In a 2008 survey of 92 MD/MBA students at 12 universities, Goldman found many students wished the business curriculum was better integrated into the medical curriculum. In the same project, Goldman surveyed 16 MD/MBA program directors and found that increased integration, coordination and collaboration between the two components were identified as the top needs.

“A lot of programs are still four years of medical school and a year or

year-and-a-half of business school. You just kind of squeeze it in, and the two programs don't talk to each other," he said. "But there are a number of programs that are now evolving into more integrated MD/MBA where the business side is emphasizing more health care and medicine-oriented business training, as opposed to generic business training. "

Simultaneous or separate

Like many physicians who hold MBAs, Chandler, president of the Association of MD/MBA Programs, received her medical degree and business degree separately. She had practiced medicine for several years and was serving as the medical director of a federally-qualified health center when she undertook an MBA program at Pepperdine University. Her motivation was to gain more management skills to improve her job performance, rather than to change careers.

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One way to calculate the return on investment of the degree is to look at income. The average starting salary for the MD/MBA survey respondents was \$292,500, compared to \$192,196 for a medical specialist without an MBA during the same time period. The average starting salary for surgical specialists was \$247,333 and \$147,800 for primary care physicians.

Goldman found two reasons for the higher income levels of the MD/MBA graduates.

"A lot of them take on leadership roles within an organization even in their first job because they have that management training that nobody else has," he said. "So they are getting paid more for being a department head or some other administrative duties in addition to their medical practice."

Additionally, many respondents pursued sideline businesses, such as owning an urgent care center, in addition to practicing medicine.

"Their physician salary was not necessarily higher just because they went to business school, but they were doing interesting and creative things with the MBA portion of their degree in addition to practicing," he said.

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Ward, president of the MD/MBA Students Association, said he has noticed that the goal of improving job performance is common for physicians who pursue an MBA several years after completing medical school.

“The people that go for the MBA before (starting medical practice) seem to be more interested in career development, whereas people who get the MBA afterwards—and this is purely anecdotal—tend to be more interested in how the MBA can improve their practice,” he said.

In Chandler’s view, working on the two degrees simultaneously is neither better nor worse than pursuing them at two separate times. But the experience is very different.

“Getting the MBA while you’re in medical school gives you another set of lenses,” she said. “You look at things differently and are just much more in tune to the financial and flow aspects of health care.”



Lola Butcher is a freelance health care writer based in Missouri.

Editor’s note: The Association of MD/MBA Programs website is mdmbaprograms.org

Reference

1. Sherrill, WW, *Academic Medicine*, 75 (10), October Supplement 2000, S37-S39.

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Satisfaction scores

Meanwhile, Windsor Westbrook Sherrill, MHA, PhD, associate professor of public health sciences at Clemson University, recently conducted follow-up interviews with MD/MBA graduates she had interviewed a decade earlier.

Sherrill was the first academic to explore the MD/MBA career pathway when she conducted survey and interview research with 87 MD/MBA students attending six medical schools in 1998.¹

Last year, Sherrill re-interviewed 23 of the participants in her original study to see how their career experiences compared with their expectations. Her findings were also presented at the Association of MD/MBA Programs meeting last April.

While four of the MD/MBAs were working in industry when Sherrill tracked them down in 2010, the rest were all practicing physicians.

All respondents reported they were happy with their decision to obtain an MD/MBA degree, although four said the dual degree had “limited usefulness.”

The MD/MBA graduates Sherrill interviewed, all of whom had finished their training a decade earlier, had an average salary of \$325,000. Some of the respondents are not practicing traditional medicine—one owns a hair transplant practice and another operates a weight loss and anti-aging practice. One of the respondents reported that his non-traditional medical practice generates income of more than \$600,000 a year.

Although they are making higher salaries than their non-MBA counterparts, money is not the primary motivation for obtaining both degrees, according to Sherrill’s work.

“When we asked ‘why did you get the MD/MBA degree?’ the highest-ranked reason was they wanted to make a difference in medicine,” she said.

More than 60 percent of the physicians she interviewed last year said that the dual degree influenced their role in the health care system. Quotes from respondents include:

- “I feel I am looked to when making business decisions for our group. I also feel that our local hospital values my knowledge.”
- “I am the medical director of an ophthalmology practice start-up that has grown rapidly. My MBA degree has been essential in day-to-day management issues, long-term planning and growth of the practice.”

—By Lola Butcher

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