

Hospitalists ON TOP

**As HM matures,
physicians with
a nose for business
assume influential
leadership roles**

| By Marlene Piturro, PhD, MBA

Many technically skilled professionals—including computer programmers, stockbrokers, or hospitalists—aspire to the executive suite.

The burgeoning field of hospital medicine offers especially enticing rewards for business-minded doctors, inducing frontline leaders to trade the white coat for wing tips and a shot at the top.

The pinnacle can be stratospheric. Adam Singer, MD, CEO of California-based IPC-The Hospitalist Company, traded his white coat for the so-called C suite. He has since filed an initial public offering that should produce \$105 million for IPC's stakeholders.

There's also lots of room for hospitalists with more modest executive aspirations. The skills acquired by good hospitalists—thoroughness, the ability to solve complex problems, critical thinking, strong motivation, sound work ethic, and teamwork—serve physician

executives well. Some physicians back into the executive suite once they realize they're attracted to the business end of medicine. Those are the clinicians who volunteer to do the group's scheduling or find that they enjoy negotiating contracts with new hires and payers. Others pursue a personal road map to the C suite.

Balancing Act

The biggest decision facing a hospitalist with managerial aspirations is whether to relinquish patient care.

"For most of your career you must remain active clinically, even though your time is disjointed because you're intensely needed in both clinical and administrative areas," says Andrew Urbach, MD, medical director of clinical excellence and service at Children's Hospital of Pittsburgh. He manages both by constantly adapting. His time had been evenly split between clinical and administrative duties until July, when he cut back on his clinical duties. He now spends one week every quarter as a hospitalist and a half-day a week at the clinic. "It's difficult balancing both, and reaching the highest level of excellence in two areas is demanding," he says. "But the best hospitalist managers continue to see patients to maintain credibility with their peers."

Stacy Goldsholl, MD, president of Knoxville, Tenn.-based Team Health, Hospital Medicine Division, was a staff hospitalist who ceded clinical work for a managerial career. After a three-year stint as a hospitalist with Covenant

HealthCare's hospital medicine program at Covenant Medical Center in Saginaw, Mich., her mentors recruited her to "jump around the country starting hospitalist programs during 2004 and 2005," she says. "I was in the right place at the right time, and I had the confidence to move my agenda in a diplomatic way and with humor."

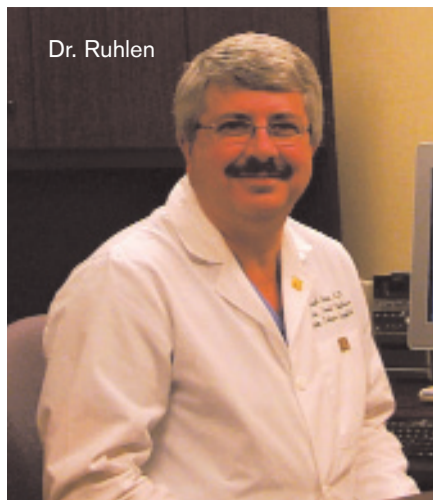
Dr. Goldsholl, a member of SHM's Board of Directors, reluctantly gave up clinical responsibilities three years ago. "It's all about balance in my life," she says. "It was a conscious decision to give up patient care. I miss it, but I wanted to take my career to a national level. I travel a great deal, which isn't compatible with patient care."

Business School

Hospitalists attracted to management often realize they need more business schooling, says Kevin Shulman, MD, MBA, professor of medicine and management at Duke University Medical Center and the Fuqua School of Business in Durham, N.C.

"The issues in medical training are clinical, not organizational," he says. "As you move up in administration you don't have business skills you need. When doctors feel frustrated about not being effective organizationally, that's when they think about business school."

Edward Ogata, MD, MBA, chief medical officer of Children's Memorial Hospital in Chicago, and a pediatric neonatologist, realized how useful an MBA would be as he moved from clini-



Dr. Ruhlen

cal work to management. "I went back to school for an MBA at Northwestern University Kellogg School of Management 27 years after graduating from medical school," he says. Pushed by the healthcare market into negotiating managed-care contracts in the 1980s, Dr. Ogata realized he knew little about accounting and finance. The always-precarious financial situations of children's hospitals encouraged him to get the business skills to cope.

At Kellogg, in Chicago, Dr. Ogata was assigned homework and teamwork with executives from Motorola, Lucent, and GE. The first year was difficult because he was still covering call and juggling administrative tasks. He got up at 4 a.m. every day to study. Armed with business skills, Dr. Ogata feels better equipped to meet the financial and administrative needs of his inner-city hospital. "We're not in a nice suburb

with a favorable payer mix, and a hospital isn't really a business in the conventional sense," he notes. "But we are committed to doing the best."

For Joy Drass, MD, MBA, a critical care trauma surgeon for 13 years and president of Georgetown University Hospital in Washington, D.C., methodically performing clinical tasks prepared her for top management. She assumed the presidency of the troubled hospital in 2001, one year after MedStar Health in Columbia, Md., acquired it. The hospital had recorded losses in excess of \$200 million before MedStar stepped in.

"Many skills I developed as a critical care physician had an absolute application in this stressed organization," she says. "In medicine, it's called triage. In business, it's prioritizing. You look at a situation and quickly set goals to get from point A to point B, encourage teamwork, and develop structures to support people when they are struggling through uncertainty." Skills she learned as a graduate of the Wharton business school in Philadelphia helped her stabilize hospital operations, improve customer service and revenue collection, and develop a long-term strategic plan to improve the hospital's chances of survival.

Varied Paths

Some hospitalists acquire business smarts from instinct and experience. When he was 13 years old, Dr. Urbach ran his family's retail business for weeks at a time when his parents were away.

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GET TO THE C SUITE

- Consider getting an advanced degree. You'll learn the business of medicine you didn't get in medical school;
- Decide how important business concepts and disciplines such as finance, accounting, marketing, human resources, and organizational development are to you before embarking on formal business training;
- Pace your career to avoid burnout, substance abuse, and work/family imbalance if you are a beginning hospitalist;
- Think through how important hands-on patient care is to you. If you're unwilling to relinquish it, find a situation that allows a combination of clinical and managerial responsibilities;
- Analyze whether or not the hospitalist position in a practice has a sustainable business model;
- Decide how you want to use business process improvement skills developing clinical pathways, IT, cost cutting, and patient safety;
- Assess the strength of your executive abilities in critical thinking, thoroughness, complex problem solving, bottom-line issues, and motivation; and
- Consider attending SHM's Leadership Academy to help you organize your clinical and administrative experience to move toward a management role.

Physicians who want business and management skills have many executive programs to choose from. Check www.bwnt.businessweek.com/embasearch for information about programs by region, state, Graduate Management Admission Council scores, work experience, and program costs.—MP

"I've had no formal [business] school training, but my entrepreneurial instincts and management skills were honed early in life," he says.

Team Health's Dr. Goldsholl intended to get a formal MBA, but was too busy. "SHM's Leadership Academy and other programs gave me management skills, and I chose CME credits in business and management areas," she says. "I'm also more of an experiential than a classroom learner. Mentoring and other informal settings work for me."

Michael Ruhlen, MD, MHM, Toledo (Ohio) Children's Hospital corporate vice president of medical informatics and vice president of medical affairs, made a successful if not easy move from clinician to manager. Acting as a hospitalist seven years before the discipline was named in 1996, he developed systematic, data-driven clinical pathways and trained other would-be pediatric hospitalists in acute care pediatrics. In 2001 he was the first recipient of the National Association of Inpatient Physician's Award for Outstanding Service in Hospital Medicine. The award recognized his managerial skill in building a hospitalist program from scratch.

Unlike hospitalists who are moving from well-defined clinical tracks to managerial roles, Dr. Ruhlen operated in uncharted territory in his first decade as a hospitalist. From the beginning of his hospitalist career, Dr. Ruhlen's business head identified volume-dependent competency as critical to clinical and financial success. "I saw how to create time and quality efficiencies," he explains. "If you do one or two lumbar punctures a year, you might stick a child five or six times. Doing a higher volume of procedures led to smoother operations."

Recognizing the complexities of hospital management, Dr. Ruhlen returned to school to sharpen his management skills. He chose the Harvard School of Public Health's master's in healthcare management over an MBA because, as he puts it, "I'm interested in managing a hospital, not running Campbell's Soup." As a hospitalist executive, he works on improving the hospital's IT systems, developing new physician leaders, and taking the lead on change management and patient safety issues. He also has been tapped twice to serve as acting hospital president.

Medicine as Business

Hospitalists enjoy an array of career choices. Those who savor the pure joy of clinical work can continue on that path, while others can choose a career in management; some can blend both. No matter what their career paths, healthcare's increasing complexity will keep them fully occupied.

"As medicine grows more complex, students spend their time mastering clinical issues," Dr. Shulman notes. "Many third-year med students don't even know the difference between Medicaid and Medicare. As they practice as hospitalists and want to move up the administrative ranks, they will acquire the general business skills that will help them be effective and reshape healthcare policy." TH

Marlene Pitorro is a medical writer based in New York.



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