

Ψ KELLEY
SCHOOL OF BUSINESS
Business of Medicine MBA



GO FROM MOMENT TO MOMENTUM



Learning the Business of Medicine

Veteran surgeon Dr. David Hormuth already boasts an impressive list of professional achievements, from a grab bag of advanced degrees to articles in professional journals. But a recent addition to his résumé – his Business of Medicine MBA from the Kelley School of Business in Indianapolis – has earned him even more notice.

“It’s a very impressive part of my portfolio,” said the cardiothoracic surgeon with more than 6,000 thoracic procedures (including 500 heart, lung and ventricular assist device transplants) to his credit. “When I’ve interviewed for other positions, it raises lots of eyebrows. Not only can I perform operations, I also understand the financial side of medicine.”

Hormuth, who consults with healthcare providers in such areas as heart transplant, artificial heart technology, heart failure and cardiothoracic surgery, thinks his hard-won business savvy helps make him as comfortable in the boardroom as he is in the operating room.

“With my MBA at this phase in my career as a very senior surgeon, it is an opportunity to become an interpreter,” he said. “Sometimes you have physicians on one side of the table and businesspeople on the other. I see myself as sitting at

the middle of the table, helping to interpret and solve clinical problems by understanding the financial implications.”

With so much of the American health delivery system in flux these days, that expertise has never been more important – or in greater demand. And one of the very few places to achieve this sort of insight is from Kelley’s Business of Medicine MBA Program. Begun in 2013, the program each year takes in a class of approximately 35 physicians with at least three years of post-residency experience. Though relatively new (its first cohort of graduates, Hormuth among them, completed the program in August 2015), it has already attracted doctors from as far afield as California.

“We’ve noticed during recruitment that our geographic range is expanding,” says Anthony Cox, Professor of Marketing and Chair of the Business of Medicine MBA Program at the Kelley School of Business. “At least a dozen states are represented. Our goal is to be a national program.”

Kelley faculty had long contemplated creating a specialized MBA that combined business and medicine. Its usefulness both to physicians who wanted to move into administrative positions and to private practitioners struggling to navigate a

labyrinth of new healthcare laws seemed obvious. The proximity of the IU School of Medicine only added to its allure.

“They say geography is destiny,” Cox said. “Years ago I and some colleagues thought this was sort of a natural area for the Kelley School of Business, because we have the second-biggest medical school in the country literally across the street from us.”

However getting the program off the ground proved a complex operation. There are a fair number of schools offering run-of-the-mill MBAs to physicians, but the Kelley School (with several of its MBA programs already ranked among the world’s best) wanted to raise the bar by tailoring its offering to the business of medicine.

“The typical executive MBA tends to take a 30,000-foot view of business and doesn’t really get into a lot of depth, because it can’t in the allotted time,” said Susannah Gawor, Director of Graduate Business Programs in Medicine at the Kelley School of Business. “But we decided we wanted a high-quality Kelley MBA.”

The Business of Medicine MBA encompasses 51 credit hours – the same as for Kelley’s full-time, online and evening MBAs. But it caters strongly to the busy schedules of working physicians, emphasizing weekly online coursework plus a once-a-month IUPUI campus session from 8 a.m. to 5 p.m. Friday and Saturday. Students spend most of their first year studying conventional business topics such as accounting, finance and marketing, and their second delving into nearly a dozen medicine-centric courses, including “Healthcare Revenue & Delivery Models” and “Understanding Consumer Health Behavior,” which Cox teaches himself.

“There are several courses that are very specific to health care that you wouldn’t find in any other MBA program,” he says.

Indeed, one would be hard pressed to find a program like Kelley’s anywhere else in the world. Though a couple of US schools offer MBAs for working physicians, the Kelley program is uniquely tailored to physicians’ needs – and is the only physician-only MBA program offered by a top-ranked business school.

“The reason we’re truly the first of our kind is that we’ve developed a curriculum that looks at the intersection of business and medicine and asks, what do physicians need to know?” Gawor said.

Apparently quite a bit, judging from the herculean commitment doctors are willing to make to the program. While the typical executive MBA class meets twice a month, this one meets only once, because physicians – especially the sorts of highly placed, senior doctors the program attracts – manage notoriously tight schedules. Out-of-town participants have to fly or drive to Indianapolis for the once-a-month in-person sessions.

Cox describes Business of Medicine MBA candidates as having “a lot of cognitive stamina” and near-superhuman time-management skills. One physician who flies in for the class from Los Angeles uses his time on the plane to catch up on course reading. Another who drives from Pennsylvania uses voice simulation software to create audio files of his readings, then listens to them during the long, long car trip.

Hormuth says support from the Kelley staff helps ease the workload and the time crunch.

“I would like to say that I keep up with the coursework via my efficiency and great time management, but the real truth is that I study late at night and on weekends,” he says. “The Kelley School of Business places most if not all of the lectures and required readings online, so I’m able to read them from anywhere I choose. They really go out of their way to support the student.”

At least Hormuth, who lives in the Indianapolis area, doesn’t have to deal with a continent-spanning commute to get to class. Not surprisingly, most of the program’s first cohort of students hailed from central Indiana, but the number of long-distance learners increases with each new class as word of the program spreads.

“I had a family practitioner out of Illinois who said to me, ‘I am such a better physician than I ever was before because I’m thinking about my entire patient experience, not just my relationship with them as a doctor/patient relationship,’” Gawor recalled.



↑ Cardiovascular surgeon Deon Vigilance MBA'15 and anesthesiologist Dan Fagin MBA'15 analyze a revenue delivery model during a Business of Medicine MBA residency.

Such glowing reviews from participants are welcome, because getting the word out about such a unique program can be time-consuming. Kelley helps raise the MBA's profile by visiting more than a dozen carefully chosen physician conferences each year, setting up a booth and speaking to interested doctors at length.

"The response has been huge," Gawor said. "Most of our more recent program applicants say that they saw us at a conference."

She describes the typical Business of Medicine MBA prospect as either a physician who's already an administrator in a large healthcare system, or a doctor working outside a major system who wants to more efficiently manage his or her own practice.

"It's kind of all over the map," Cox added. "I think maybe the most common thing is people who are already starting to move into leadership positions or they have aspirations

or ambitions to move into leadership positions, especially within hospital systems."

The program's popularity and profile could snowball with the graduation of the first class. Their testimonials – and professional successes – could do a great deal to further boost the Kelley effort.

"We don't have a lot of alumni yet," Gawor said. "But our first graduating class has already seen promotions and changes in their leadership style."

Recruitment for each class is year-round, attracting candidates from across the United States.

"We just received an application from Connecticut," Gawor said. "We have people joining us from both coasts and everywhere in between." ■