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Rising by degrees

Management titles, diplomas lead to higher salaries for physicians, survey shows by Michael Romano

Like almost everyone else in the nation's increasingly sophisticated workforce, doctors who have the longest string of degrees or titles after their name tend to earn the highest salaries. And the more letters the better.

Physicians in top management positions who have a master's degree in business administration in addition to their medical school diploma earn almost 35% higher salaries than doctors in comparable jobs who do not hold an advanced management degree, a new national survey has found.

Doctors with MBAs who serve as either chief executive officers or presidents of group practices, health plans and hospitals earned median compensation of about \$350,000 in 2002, compared with approximately \$260,000 for physicians with no postgraduate business degree.

Physicians with master's degrees in healthcare administration earned about \$300,000 a year in those two top job categories, still well above the salary of their nondegreed colleagues, according to a 97-page report compiled by Cejka Search, a St. Louis-based executive recruitment firm, and the American College of Physician Executives in Tampa, Fla. The national survey, which included responses from 2,060 ACPE members, was first reported last week in Modern Healthcare's Daily Dose electronic newsletter.

Despite this trend toward a curriculum vitae brimming with business degrees, the key to success in healthcare-along with riches-continues to be day-to-day, hands-on experience as a manager, said Carol Westfall, Cejka's president.

"We're seeing more and more advanced degrees for doctors," she said. "Still, the degree is not necessarily a ticket to more money. It plays a role, definitely. If you have two candidates with similar kinds of experiences, though, and one has an MBA and the other doesn't, the job is likely to go to the one with an advanced degree."

Doctors with additional diplomas, including master's degrees in business administration, healthcare administration, medical management and public health, have become increasingly common. (One ACPE member who served as an adviser for the survey listed five different degrees after his name.) An earlier survey by Ceika found that the number of doctors with advanced business degrees jumped about 23% from 1999 to 2001. The number of physicians with medical management degrees doubled over that same three-year period, the survey said. And nearly one-third of America's 126 medical schools now offer joint M.D./MBA programs.

Advanced business degrees aren't for everyone, said Francine Gaillour, a consultant with both an M.D. and an MBA who served as an adviser for the Cejka/ACPE survey. "Doctors who look at an MBA as automatic entry into top medical management are going to be disappointed," she said. "The question is one of time and value."

Yet numbers indicate that there is a financial incentive for doctors with advanced business degrees. Overall, compensation for physician executives increased about 7% over 2000. Median compensation for physician executives was \$225,000, compared with \$153,000 for clinical primary-care physicians.

And median compensation for physicians serving as CEOs and presidents of hospitals jumped about 42%, from \$221,000 in 2000 to \$313,000 in 2002, according to the survey, but officials cautioned that the 2/4/2018 page.cms.html

sample size included only 15 respondents.

Frank Byrne, a physician with a master's degree in medical management who is president of Parkview Health Foundations in Fort Wayne, Ind., said he believes the number of doctors in top hospital jobs is likely to grow. "I think it's picking up," he said. "With the increasing complexity in healthcare, physicians in management positions need formal training in business disciplines."

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