Drexel to offer unusual health care MBA

Sacramento Business Journal by Kelly Johnson, Staff Writer and Social-Media Strategist
Date: Friday, April 13, 2012, 3:00am PDT

Drexel University’s Sacramento center is rolling out the region’s first health care Master of Business Administration program, helping to supply Sacramento’s huge health care industry with managers who understand accounting and leadership — not just the clinical specialty in which they work.

Sandra Kirschenmann, the Sacramento center’s director, got the go-ahead this week to launch the school’s ninth program in the fall. Drexel hopes to attract 15 students for the inaugural class.

When she came three months ago to lead Drexel’s Sacramento Center for Graduate Studies, Kirschenmann began studying what programs Sacramento needs. The executives of Sacramento’s health systems told Drexel they wanted a health care MBA.

A health care MBA will give local health systems’ middle managers a stepping stone to career advancement at a time when pressure is on to reduce costs and provide more quality, said Daryn Kumar, chief operating officer at Sutter Medical Center Sacramento.

It also provides managers — as well as nurses, doctors, dieticians, radiological therapists and other clinical specialists — a pathway to administration while letting them work at the same time, said Scott Seamons, regional vice president for the Hospital Council of Northern and Central California.

Health care MBAs “are not really that common,” said Tony Hansford, assistant dean of the health care executive MBA at The Paul Merage School of Business at the University of California Irvine.
UC Irvine, which launched its program 16 years ago, typically enrolls 35 students per class. The university has the only on-campus health care executive MBA program in the state, Hansford said.

Students in UC Irvine’s two-year program attend classes from Thursday night to Sunday morning once a month. Students also attend three one-week sessions, including a week on public policy in Washington, D.C. The program, which includes food during those long weekends and a week’s lodging in the nation’s capital, costs $103,600 — almost twice as much as what Drexel will charge.

Other major universities that offer a health care MBA include George Washington University, Duke University, and Northwestern University.

Drexel Sacramento won’t have to start from scratch or pump a ton of dollars into its program. Kirschenmann, however, doesn’t have a cost estimate. Drexel University already offers the health care MBA at its main campus in Philadelphia, where it also has a business school and a school of medicine.

Mike Howley, the primary professor in the health care MBA program in Philadelphia, can fly out to help with the program. And the Sacramento center will hire a professor and perhaps some adjunct faculty members, Kirschenmann said. Creating economies of scale for the university, the health care MBA students will take statistics, economics and other business classes with the five existing full-time professors in the regular MBA program.

Most of the courses will be taught face-to-face in Sacramento a couple nights a week, Kirschenmann said. There may be some online and teleconference instruction.

After the initial group, the Sacramento center hopes to attract 20 to 25 people for the program each year. The cost for the two-year program is $58,000 — the same as the regular MBA. But most students receive grants and aid, making the cost more like $46,000, Kirschenmann said.

Drexel Sacramento is confident there’s a demand for the program. Some 2,060 people work in health care management in the four-county region, Kirschenmann said. Most health-system
managers start out with a clinical specialty and only seek out an MBA after being identified for advancement. And finally, with health care reform, more people are hungry to know how to apply metrics and analytics, she said. Increasingly, managers need to understand things such as risk management, technology transfer and medical devices along with accounting, marketing and leadership.

**Need grows for medical MBAs**

Like some of his local peers brought together by Drexel to discuss the new program, Kumar, the COO at Sutter Medical Center, started in clinical medicine and gravitated toward business.

He joined the U.S. Army at age 19 and worked as an X-ray technician for a decade. Hired in the same capacity at Doctor’s Medical Center in San Pablo, Kumar was urged to take a leadership role in the imaging department but told to get his bachelor’s degree first.

Moving on to Sutter Delta Medical Center, Kumar was poised to become assistant administrator but was told to get an MBA. The degree later helped him qualify for the same job at Sutter Roseville Medical Center, where he became COO before taking the same position at Sutter Medical Center Sacramento last year.

“There was lots of discussion (at Drexel) about MBA versus master’s in health administration,” Kumar said. “For me, personally, it made more sense to have an MBA because I had clinical experience.”

Traditional business schools teach a discipline, not an industry, said John Troidl, a Davis-based health care consultant with an MBA in finance from University of California Los Angeles who took half a dozen classes at the affiliated School of Public Health.

“The point of view has some merit,” he added. “Skills in the curriculum can readily be applied to the industry.”

That said, curriculum decisions will be essential to the success of the Drexel program, Troidl said.

“It has to recognize the differences among and between different professions within health care,” he said. Doctors and MBAs think differently. Doctors focus on the next 15 to 30 minutes with the patient in front of them; MBAs look at long-term planning.
Both are necessary in health care, where efficiency is important — and about to become more so under health care reform.

“In MBA talk: We are providing way too much health care,” Troidl said. “Health systems are selling surgery when they should be selling prevention.”