Dear Medical Schools, Educate Students on the Business of Medicine

— Without it, you are doing your students a disservice

by N. Adam Brown, MD, MBA
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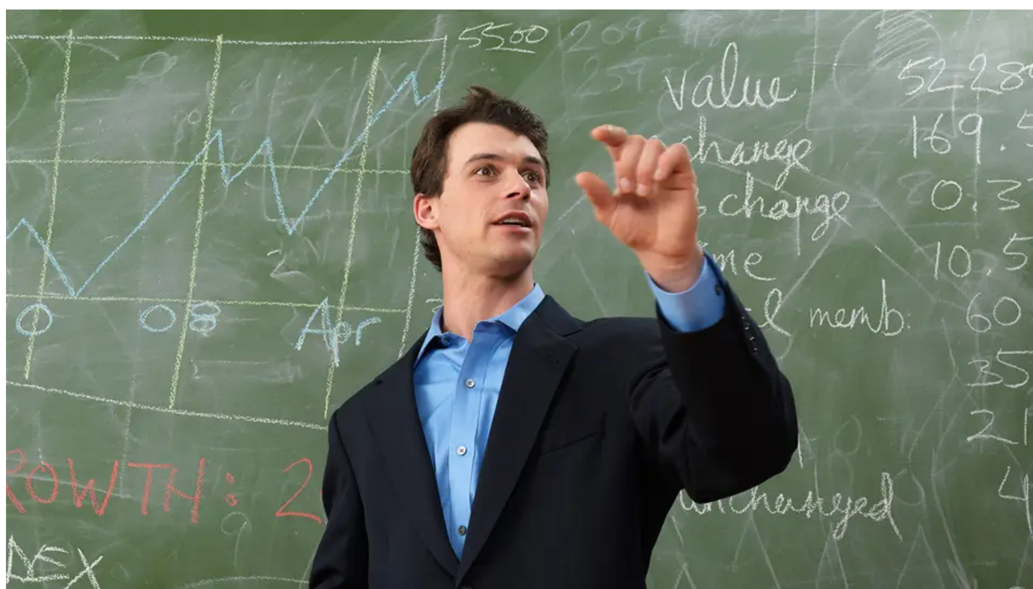

Graduation day. A moment of shear elation. I've been there.

Years of medical school. Scut work. Rotations. Cadaver labs. Foreign smells. Short white coats. Board exams. And now, the students are done (with the med school part, anyway). But then they must face: The loans. God, the loans. They have just invested in a business that forces the average medical student to take out a $200-250K (!) business loan.

Yes, it's called a "student loan," but let's be honest: they just invested a quarter of a million dollars in a business (their medical career) in a healthcare sector they know very little about. Sure, they understand the *practice* of medicine (and

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job that pays a great salary; but do they understand who controls the business and finances in the industry? The dollar flows and financial incentives?

Some who teach in medical school, and even attendings in residency, will perhaps say their mission is, "to improve the health and well-being...by achieving excellence and providing leadership in the interrelated areas of patient care, education, and research."

OK, sure. Medical schools do a great job with this; but as every attending knows, the practice of medicine and the healthcare ecosystem are very different than what they originally learned about. Some attendings even say they wouldn't "go back into medicine" or "encourage their children to go into medicine" -- perhaps they'd even discourage it.

I teach a "Challenges of Healthcare" survey course at Kenan-Flagler at the University of North Carolina Chapel Hill to MBA students, and I typically have a few students in my class who are doctors, nurses, or advanced practice providers. Without fail, every single one tells me: "I wish I had learned more about the business of medicine in medical or nursing school or residency."

As part of this curriculum, I speak about the intersectionality of pharma, device manufacturers, payers, regulators, patients, hospitals, and providers; and as students learn how financial incentives create behaviors -- some bad, some good -- they gain clarity with respect to the state of the U.S. healthcare system.

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They learn about sociopolitical determinants of health and how portions of the country that have refused to expand Medicaid have worse maternal-fetal medicine outcomes than other areas -- with poor infrastructure support and economics sparking a 20-year life expectancy difference.

Students also learn to see the value in capital, investments, and innovations. We discuss mergers and acquisitions and how some of these business decisions reduce the cost of care while improving quality and access. We also talk about healthcare opportunities, all through the lens of expanding the latter two factors while reducing costs.

Yet, what surprises me most is when doctors and providers forget they are in fact the drivers of healthcare costs. I don't mean this *negatively* but instead *functionally*. They hold the pen and prescription pad, whether digital or paper. No drug nor device nor hospitalization is ordered in the absence of their signatures. Doctors dictate the vast majority of every healthcare decision with the click of a box or the stroke of a pen; yet so many fail to comprehend the cost of these decisions and/or who is responsible for payment.

While physicians view patients as critical stakeholders in the system, many do not yet fully understand how patients function as healthcare system *customers*. Yes, it is cringeworthy to apply this word to patients, but as in every other business, the individual consuming the product is labeled as such. Likewise, every pharmaceutical ad on TV is directed to providers (and patients who then seek prescriptions from their doctors) while every Medicare-approved device ad targeting patients indirectly targets physicians.

And then there's burnout. Do doctors and providers fully understand why this happens? Burnout can be linked to how the healthcare system is financed -- for example, when system reimbursement declines, doctors face higher patient loads or increased documentation burdens. Many physicians were never taught about the revenue cycle and how their practices and the system are financed.

A purist would say, "Doctors should only focus on medicine and the health of a patient." This belief, however, is devoid of reality. Patients make healthcare decisions every day based on their financial wellbeing just as every hospital makes staffing decisions based on profitability (or a lack thereof).

Some will blame private equity (or, erroneously, venture capital). Others will blame hospitals. Some blame contract management groups or insurers. Others even blame patients. "Why in the world did this patient come to the ER for *that*?!" Bad form and displaced anger play out amidst a critical misunderstanding of capitalism and consumer-based economics.

More importantly, if doctors -- the very people tasked with making every major healthcare decision and driving costs for patients and the system -- lack a clear understanding of the business of health and the basics of economics and financial incentives, we end up with a bifurcated system wherein doctors sit at the children's table while the non-clinician big boys and girls are seated at the boardroom table. For the health of patients, the system, and the future of health, they must sit at the same table.

So, here's what I propose: medical schools and residencies should prioritize teaching the business of health to help students truly understand financial incentives and dollar flows within the healthcare system. Just like that classic *School House Rock* elementary school lesson "How A Bill Becomes A Law," doctors must understand "How patient

interactions are billed" as well as payer reimbursement trends and how these negotiations dictate activities within a hospital or clinic. Zooming out, providers must understand the basics of healthcare policy and the corporatization of medicine.

While embedding a complete MBA program into your medical school curriculum is unnecessary, it's imperative you expose students and residents to an overview of the healthcare ecosystem. Physicians must be in the know. Why? It's the only way they can advocate for themselves and their patients in an effective manner.

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