



Program directors in surgery agree that residents should be formally trained in business and practice management

Vincent C. Lusco, M.D., Serge A. Martinez, M.D., J.D., Hiram C. Polk, Jr., M.D.*

Department of Surgery, and the Institute for Bioethics Health Policy and Law, University of Louisville School of Medicine, Louisville, KY 40292, USA

Manuscript received January 28, 2004; revised manuscript May 10, 2004

Abstract

Background: Surgical residents typically receive limited exposure to business and practice management during their training. As a result, residents are ill-prepared for issues related to starting a practice, coding, collecting, and taking a meaningful role within the medical community in promoting quality and safety and in containing health care costs. With the introduction of the core competencies and the current overhaul of surgical education, we believe there is an opportunity to include business and practice management into resident training. **Methods:** Program directors in general surgery (189 of 242) responded to a 9-question mailed survey inquiring about their opinions regarding training surgical residents in business and practice management.

Results: Most program directors agreed or strongly agreed (87%) that residents should be trained in business and practice management. Seventy percent believed that their current trainees were inadequately trained in this area. Over half (63%) believed that this training should begin during postgraduate years 2 to 5.

Conclusions: Development of simple curricula aimed at preparing surgical residents for business and practice management could promote the contemporary education of surgeons. © 2005 Excerpta Medica Inc. All rights reserved.

Keywords: Core competencies; Business education; Practice management

For many years, surgeons have been expected to learn and teach themselves about the business complexities of surgical practice once they have completed residency. Traditionally, physicians have had little formal business training. In the contemporary health care environment, numerous and serious challenges have evolved in running a successful practice, along with the advent of managed care, development of complex coding schemes, and ever increasing difficulty with reimbursements. At this moment, surgical training is being significantly modified to incorporate the core competencies as outlined by the American College of Graduate Medical Education (ACGME). However, as part of the core competencies, emphasis should be placed on sound, basic fundamentals of business and practice management [1–3]. One of the core competencies (systems-based practice) encompasses issues, such as how physicians interact with the healthcare system [1]. Interpretation of this includes learning the nuances of managed care and how to run

an economically viable surgical practice. Strengthening these areas of resident education will equip young surgeons to take a more active role in improving the economics of medicine.

Unfortunately, these growing classroom requirements can be difficult to incorporate into busy resident schedules, especially given the 80-hour work week. Difficulties also arise in programs with a small number of faculty members, or in programs without any persons specially trained or experienced in business to teach these concepts. Despite these obstacles, we believe that programs should provide surgical residents with the knowledge and skills to enable them to operate effectively in the healthcare environment.

The purpose of this report is to identify a need and explore the opinions of program directors in general surgery regarding formal training for residents in business and practice management. We outline several mechanisms to assist residents and program directors in meeting these needs.

A 9-question survey, accompanied by a self-addressed stamped envelope, was mailed to the 242 program directors in general surgery within the United States. We received 189 responses (78% returned).

* Corresponding author. Tel.: +1-502-852-5442; fax: +1-502-852-8915.

E-mail address: hcpolk01@louisville.edu

Of those program directors surveyed, 87% agreed or strongly agreed that surgery residents should be trained in business principles and practice management (Fig. 1). They also agreed or strongly agreed (77%) that residents were interested in this type of training. Only 28% of the program directors have had any formal training in business and practice management themselves.

Thirty-four percent of programs currently do not offer any exposure to business and practice management, while 42% of programs devote 3 or fewer hours per academic year. Currently, 16% of programs offer 4 to 8 hours per academic year, and 6% offer 8 to 12 hours per academic year. When asked how many hours should be devoted per academic year, only 7 (4%) program directors responded that there should be none. One quarter of program directors recommended that 1 to 3 hours per academic year be devoted to business and practice management, but another third stated they should devote 4 to 8 hours per year, and another 25% responded that 8 to 12 hours per year would be their goal. Twelve percent of program directors thought that more than 12 hours per year were needed.

Accordingly, 70% of program directors either disagreed or strongly disagreed with the statement that trainees completing their program are trained adequately in business and practice management. Indeed, only 8% of program directors believed that their residents were adequately trained. Fifty-seven percent of program directors agreed or strongly agreed that business and practice management should be included in core competencies; 22% opposed this idea and the remainder were neutral.

Sixty-three percent of program directors believed that business training should begin during the postgraduate years 2 to 5. Only 5% believed training should begin during internship, whereas 29% believed that training should begin during medical school. Less than 3% of program directors believed that training should be delayed until the attending level. Ninety-one percent of program directors expressed a positive attitude toward implementing a business and practice management course and workbook similar to the Advanced Trauma Life Support (ATLS) program.

Business and practice management training is an important topic today, as medicine has increasingly adopted business practices. The excellent response rate (78%) for a mailed survey attests to the significance of the topic. Because surgeons are increasingly asked to do more than provide care of patients,

opportunities to learn more about the business aspects of surgery should be made available to surgical residents, in the opinion of a majority of program directors.

This survey clearly shows that program directors acknowledge the lack of business training and that residents are inadequately trained in this area upon completion of the residency program. Furthermore, 72% of program directors have had no business training themselves.

The question of when to expose trainees to the concepts of business and practice management generated a bimodal response. We suggest that there is time during the fourth year of medical school that can be used to teach some basics of accounting as well as personal financial responsibility. A previous survey of 10,600 medical school graduates in 1996 indicated that more than 70% believed that their training in practice management skills was inadequate [4]. The advantages of promoting this curriculum during the fourth year include availability of time, and early emphasis of the topic. Disadvantages include lack of motivation of fourth-year medical students coupled with difficulty assembling the students given their irregular schedules. It is also clear that internship is not the time to start business training, due to work hour issues and perhaps lack of interest. Most program directors (63%) believe that trainees should be exposed to concepts in business and practice management at some time during the postgraduate years 2 to 5 period. This is a time when residents are beginning to gain a sense that these concepts are important.

There was no clear answer as to how many hours should be devoted given the normal distribution of responses. The majority believed that the target should be 4 to 8 hours per academic year. This is in contrast to the 77% of programs that offer less than 4 hours currently. An overwhelming majority of program directors believed that more hours should be devoted to preparing residents in business and practice management than are currently offered.

The question of how to best organize educational courses related to business training also varied widely. To keep the survey simple, we did not query the program directors as to how to accomplish this. Our experience has led to an organized bimonthly lecture series, which covers ethics, law, and business. This voluntary seminar provides a platform to discuss these concepts. Business training can also be incorporated into grand rounds or residents' conferences. A third option could be made available to trainees taking time to go into the lab, whereby they could attend a mini-Master of Business Administration (M.B.A.) course. Finally, business schools have programs tailored to the medical profession (executive M.B.A. degree), or combined Medical Doctor (M.D.) and M.B.A. programs that are offered by many medical schools that could be obtained outside of the residency. These last 2 options would generate physicians specially trained to educate other surgeons in practice as well as surgical residents.

The web site of the American College of Surgeons (<http://www.facs.org>) has available resource material pub-

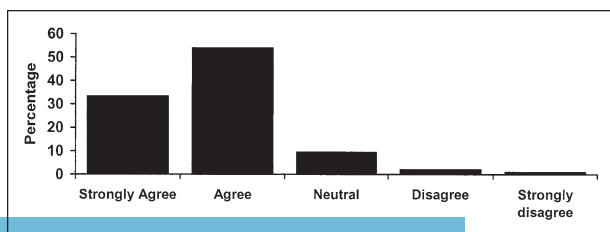


Fig. 1. Results of survey question that asked whether residents should receive instruction in business and practice management.

lished by the Department of Surgery at the University of Washington. This is an excellent web-based, user-friendly program that covers the basic concepts of business and practice management; conversely, we have found no specific written references in these areas to cover what a practicing surgeon needs to know. One must also take into account the differences in rural and urban practice issues as well as regional variations. A workbook designed to cover business and practice issues to be used with an ATLS-like workshop could better prepare residents in these areas. A majority of survey respondents (91%) agreed.

An outline of suggested curriculum should include:

- Mutual recruitment and contracts
- Different payer groups
- Contracts between physicians and insurance companies
- Solo versus group versus multispecialty groups
- Coding, billing, and collecting
- Compliance issues, Health Insurance Portability and Accountability Act (HIPAA), legal and moral issues.
- Professional liability insurance
- Human resource management
- Accounting
- Financial management
- Marketing/planning
- Quality control
- Tax planning strategies
- Business plan writing

While the majority of program directors were inclined to incorporate the above concepts of business and practice management into the core competencies, 40% were either neutral or against this idea. This illustrates the skepticism of

some program directors who may fear a backlash of more mandates or who do not believe it is their responsibility.

Current surgical education not only demands the training itself but also a way of verifying that the trainee is competent in that subject. Without creating more paperwork and policy issues, active participation could be measured by attendance at lectures, completion of a web-based program, or completion of a test as ATLS requires. Given the infancy of this concept, we would propose leaving the mechanism of verification up to the program director at each institution.

The complexity of understanding and/or maintaining a surgical practice makes it apparent that more needs to be done to prepare surgical residents in business and practice management. Exposure should begin during the fourth year of medical school, which would benefit all physicians, and then become more intensive as junior residents move toward their chief year. The suggested curriculum as outlined above will enable surgical residents to meet the healthcare challenges they will encounter after they complete their residency.

References

- [1] Itani K. A positive approach to core competencies and benchmarks for graduate medical education. *Am J Surg* 2002;184:196–203.
- [2] Ganzel T, Royalty L. Determining the real bottom line and true cost of surgical practice using relative value units. *Am J Surg* 1998;176:230–2.
- [3] Cohn K, Kenneth H, Schwartz R. Business plan writing for physicians. *Am J Surg* 2002;184:114–20.
- [4] Ridky J, Bennett T. Training surgery residents in group practice management. *Med Group Mgmt Assoc* 1991;38–9.

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.