**Health Care EMBA:**

**What we know from interview conversations**

Given the unique context of the health care field, the Sam. M Walton College of Business at the University of Arkansas in Fayetteville (UAF) is proposing a joint offering for an Executive (part-time) MBA degree with a health care track, in conjunction with the UAMS College of Public Health. In addition to traditional MBA courses, students in this track would take courses through UAMS focusing on the health care system, health law, health systems financial management, information systems, and quality management. The program is projected to commence in the fall of 2016. The goal is to prepare graduates to take on leadership positions in the health care industry.

In order to assess demand for the joint offering and profile the potential student population, the MBA programs office has sought input from experienced health care executives. Initial contacts included individuals working in health care IT, corporate health care (Walmart), physicians and physician networks, assisted living administration, health care financial management & consulting, clinical psychology/behavioral health, and the Military Health System. Important contacts for a wider-spread market assessment have been gathered from initial inquiries. This report aims to provide a brief summary of these early inquiries, and re-focus next steps for a market assessment on the desirability and structure of this program.

There is a commonly-held assumption among practitioners and administrators alike that the health care field has grown increasingly complicated, both with regards to information technology and business. Quality care, financial management, and compliance (government mandated reporting) makes health care today “layer upon layer complicated,” as one physician put it. Today’s health care system additionally requires experience and strong relationships in the field, said the CEO of OrthoArkansas. Networking is key.

It is evident from initial inquiry that this degree is both desirable and needed. A vice president at Walmart stated that Northwest Arkansas, given its size, is one of the worst developed health care markets in the U.S. Our population growth has been explosive, but the industry hasn’t kept pace. Our workforce doesn’t have the right skills. Practically every Chief Medical Officer nationwide who has been hired has an MBA. This is a pivotal point for the health care market, and Arkansas needs innovators and risk takers. There is a clear need for this degree according to all of our initial conversations.

**Market Context & Competition:**

The Sam M. Walton College of Business will be one of the few schools in the region offering such a program.

* The University of Arkansas-Little Rock offers a [Weekend MBA with a Healthcare focus](http://ualr.edu/mba/weekend/). [Vanderbilt](http://www.owen.vanderbilt.edu/programs/health-care-mba/) offers a Health Care MBA degree.
* The Master’s of Health Administration (MHA) is a closely related degree; however, this degree is not offered by UAF. It is offered by various schools in the region. UAMS offers both a Master of Health Services Administration and a Master of Public Health, from which the joint courses are being drawn.
	+ One individual, with 34 years of experience in the health care field (including Sr.VP at Northwest and Washington Regional Medical Systems), pointed out that an MHA is less desirable to the target population because the longer they have been in the field, the less likely they would need an MHA, having that knowledge already through experience. An MBA would provide new knowledge.
	+ Another senior health care administrator stated that an MBA could also be more desirable because it is both stronger in financial management/quantitative skills and more versatile for career growth. Two corporate executives at Walmart corroborated this point, and went on to posit that the MBA also has broader applicability; furthermore, particularly for a corporate focused job in the health field, you don’t need an extensive focus on health care. The CEO of OrthoArkansas made the same argument, adding that only in a purely hospital setting would an MHA perhaps be preferable.

**Target Population & Career Advancement Opportunities:**

1. **Category 1: Practitioners**

This category includes physicians, nurses, pharmacists, radiology technicians, and other health care practitioners who want to move into more administrative type roles and/or effectively run health care businesses. This category also includes department directors with a clinical background, those that would want to be chief nursing officers or chief operating officers. This is probably a key market, in terms of sheer numbers, and the fact that they’re already breaking into the business world. These individuals don’t have business skills, such as finance, but they hope to remain in business in the health care field. Nurses and pharmacists, a key target group, are rate-limited at their positions, they’re compassionate, and they know the system.

One example of the changing nature of health care provision is the explosion of Urgent Care clinics, which are opened by entrepreneurial physicians. Traditional practices are losing their markets. Furthermore, as alternative payment mechanisms become available, physicians will need to learn new systems.

Another segment of administrators blurs the lines between practitioners and administrators, and this is physician networks brought together to manage the complexities of health care provision, such as physician group practices, physician-hospital organizations, and ambulatory group practices (e.g. the Medical Group Management Association and the American Association of Orthopedic Physicians). These business networks often require CEOs and executive level management, necessitating higher business education.

***Caveats for category 1:***

* The degree is not cost-prohibitive for physicians and some higher level practitioners, but it may be cost-prohibitive for more entry-level positions, such as nurses and radiologists.
* Some hospitals in the region may support education costs. Washington Regional does not, but it will support the education philosophically according to a former VP of the Washington Regional Medical network.
* Practitioners may only be interested in clinical education.
1. **Category 2: Administrators**

This category includes entry level health care administrators looking to advance their careers, as well as upper level administrators (e.g. controller level) that hope to advance to the highest levels of administration, such as Chief Financial Officer (CFO) and Assistant CFO.

Health care managers may understand insurance and other health care management topics, but they may not have as good of an understanding of health care. They would also benefit from this degree.

An administrator in health care needs key skills in human resources, accounting, spreadsheets/data analysis, risk taking, etc., which can be gained from the MBA.

1. **Category 3: Individuals seeking to enter the health care field**

This category refers specifically to individuals that are not currently working in the health care field, but who wish to transition into the industry. Health care is approaching 25% of GDP and health care delivery is changing. 2/3rds of jobs in the health care sector are being created by non-traditional sectors, as cited by a VP at Walmart. There are incentives for entering the field.

For example, this category may include HR professionals who would like to transition into hospital administration. Other careers include direct practice management, hospital systems, the insurance industry (development of products and relationships with providers), program line managers in insurance settings, the pharmaceutical industry, etc.

1. **Category 4: Corporate Health**

As mentioned previously, individuals working for corporations with a health focus don’t necessarily need an extensive focus on health care to work in this field, thus this degree is ideal. Corporate MBA recruits haven’t historically had health care focused degrees, but they have usually at least had experience in the health care field.

There is an impression from the corporate side that health care professionals are very poorly trained in business, according to the Walmart executives who participated in initial inquiries. A current health initiative at Walmart, opening primary care clinics, is Nurse Practitioner driven in terms of business model, but these individuals don’t have the business acumen. How you can be a good caregiver and also impact the business angle (the value based outcome) is key.

There are also individuals in CPG, as well as transport, that are both selling and transporting health care related products, and these individuals need both skills from the general business perspective, but also a knowledge of healthcare.

**Key Risks:**

1. **Family commitment:** This has been found to be a deterrent for both men and women prospects for the EMBA. We believe that this is the same level of risk as for our regular EMBA. Since the program does not require resource commitments at WCOB, we are not looking for a large number of enrollees to make this program viable. We anticipate a steady state 20 student settled demand over the next three years.
2. **Cost:** The degree may be cost prohibitive for floor practitioners and other entry-level employees, even supervisory-level. This will usually not be the target audience for the Health Care EMBA. In our regular EMBA we are already attracting 5-6 Health Care practitioners (Pharmacists, Doctors (primary care and specialists), Nurse administrators) and many have successfully graduated.
3. **Online courses:** Particularly the older demographic in the health care field may be turned off by the online portion of the blended delivery program. CAMIE, the accreditation agency of medical schools has not approved online courses as yet. However this is beginning to change.
4. **GMAT:** Many prospects will not have a business background and may be concerned about the GMAT test required for application. GMAT waiver may be applicable to the more senior applicants
5. **Reputation:** UAF is not known as a health care school, and UAMS is still in its infancy. We’ll have to build our brand in this field. Nevertheless our discussions with potential applicants have shown that the Walton College UAMS brand will be a powerful attractor and as a high quality degree is offered it will be strengthened.

**Appendix A**

Sample Contacts for Needs Assessment. These represent the individuals with whom we conducted semi structured interviews. In addition we have had numerous unstructured interviews with potential employers and potential students in the last 6 months.

1. CEO Of Specialized Medical Specialty Practice
2. Directors at Hospital Chains
3. Sr. Director level individuals at Corporations who manage wellness for large organizations
4. Director/Sr. Director/VP level individuals at Walmart’s Health and Wellness
5. Directors of Retirement Homes
6. Directors of Hospice
7. Executives in Medical School for Physicians and Nursing
8. Head and Administrative Officers at Clinics in NWA
9. Directors of Medical Services (for instance large management labs)
10. Practicing Physicians.
11. Practicing Pharmacists