

# Medical and Health Services Managers

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## Significant Points

- Earnings of medical and health services managers are high, but long work hours are common.
- A master's degree is the standard credential for most positions, although a bachelor's degree is adequate for some entry-level positions in smaller facilities.
- Employment will grow fastest in practitioners' offices and in home healthcare services.
- Applicants with work experience in healthcare and strong business and management skills should have the best opportunities.

## Nature of the Work

Healthcare is a business and, like every other business, it needs good management to keep it running smoothly. The occupation, medical and health services manager, encompasses all individuals who plan, direct, coordinate, and supervise the delivery of healthcare. Medical and health services managers include specialists and generalists. Specialists are in charge of specific clinical departments or services, while generalists manage or help to manage an entire facility or system.

The structure and financing of healthcare is changing rapidly. Future medical and health services managers must be prepared to deal with evolving integrated healthcare delivery systems, technological innovations, an increasingly complex regulatory environment, restructuring of work, and an increased focus on preventive care. They will be called upon to improve efficiency in healthcare facilities and the quality of the healthcare provided. Increasingly, medical and health services managers will work in organizations in which they must optimize efficiency of a variety of interrelated services—for example, those ranging from inpatient care to outpatient followup care.

Large facilities usually have several assistant administrators to aid the top administrator and to handle daily decisions. Assistant administrators may direct activities in clinical areas such as nursing, surgery, therapy, medical records, or health information. (Managers in nonhealth areas, such as administrative services, computer and information systems, finance, and human resources, are not included in this statement. For information about them, see the statements on management occupations elsewhere in the *Handbook*.)

In smaller facilities, top administrators handle more of the details of daily operations. For example, many nursing home administrators manage personnel, finance, facility operations, and admissions, and have a larger role in resident care.

Clinical managers have more specific responsibilities than do generalists, and have training or experience in a specific clinical area. For example, directors of physical therapy are experienced physical therapists, and most health information and medical record administrators have a bachelor's degree in health information or medical record administration. Clinical managers establish and implement policies, objectives, and procedures for their departments; evaluate personnel and work; develop reports and budgets; and coordinate activities with other managers.

In group medical practices, managers work closely with physicians. Whereas an office manager may handle business affairs in small medical groups, leaving policy decisions to the physicians themselves, larger groups usually employ a full-time administrator to help formulate business strategies and coordinate day-to-day business.

A small group of 10 to 15 physicians might employ 1 administrator to oversee personnel matters, billing and collection, budgeting, planning, equipment outlays, and patient flow. A large practice of 40 to 50 physicians may have a chief administrator and several assistants, each responsible for different areas.

Medical and health services managers in managed care settings perform functions similar to those of their counterparts in large group practices, except that they may have larger staffs to manage. In addition, they may do more work in the areas of community outreach and preventive care than do managers of a group practice.

Some medical and health services managers oversee the activities of a number of facilities in health systems. Such systems may contain both inpatient and outpatient facilities and offer a wide range of patient services.

## Working Conditions

Most medical and health services managers work long hours. Facilities such as nursing care facilities and hospitals operate around the clock, and administrators and managers may be called at all hours to deal with problems. They also may travel to attend meetings or inspect satellite facilities.

Some managers work in comfortable, private offices; others share space with other managers or staff. They may spend considerable time walking, to consult with coworkers.

## Employment

Medical and health services managers held about 244,000 jobs in 2002. About 37 percent worked in hospitals, and another 17 percent worked in offices of physicians or nursing care facilities. The remainder worked mostly in home healthcare services, Federal government healthcare facilities, ambulatory facilities run by State and local governments, outpatient care centers, insurance carriers, and community care facilities for the elderly.



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## Training, Other Qualifications, and Advancement

Medical and health services managers must be familiar with management principles and practices. A master's degree in health services administration, long-term care administration, health sciences, public health, public administration, or business administration is the standard credential for most generalist positions in this field. However, a bachelor's degree is adequate for some entry-level positions in smaller facilities and at the departmental level within healthcare organizations. Physicians' offices and some other facilities may substitute on-the-job experience for formal education.

For clinical department heads, a degree in the appropriate field and work experience may be sufficient for entry. However, a master's degree in health services administration or a related field may be required to advance. For example, nursing service administrators usually are chosen from among supervisory registered nurses with administrative abilities and a graduate degree in nursing or health services administration.

Bachelor's, master's, and doctoral degree programs in health administration are offered by colleges, universities, and schools of public health, medicine, allied health, public administration, and business administration. In 2003, 67 schools had accredited programs leading to the master's degree in health services administration, according to the Accrediting Commission on Education for Health Services Administration.

Some graduate programs seek students with undergraduate degrees in business or health administration; however, many graduate programs prefer students with a liberal arts or health profession background. Candidates with previous work experience in healthcare also may have an advantage. Competition for entry to these programs is keen, and applicants need above-average grades to gain admission. Graduate programs usually last between 2 and 3 years. They may include up to 1 year of supervised administrative experience, and course work in areas such as hospital organization and management, marketing, accounting and budgeting, human resources administration, strategic planning, health economics, and health information systems. Some programs allow students to specialize in one type of facility—hospitals, nursing care facilities, mental health facilities, or medical groups. Other programs encourage a generalist approach to health administration education.

New graduates with master's degrees in health services administration may start as department managers or as staff employees. The level of the starting position varies with the experience of the applicant and the size of the organization. Hospitals and other health facilities offer postgraduate residencies and fellowships, which usually are staff positions. Graduates from master's degree programs also take jobs in large group medical practices, clinics, mental health facilities, nursing care corporations, and consulting firms.

Graduates with bachelor's degrees in health administration usually begin as administrative assistants or assistant department heads in larger hospitals. They also may begin as department heads or assistant administrators in small hospitals or nursing care facilities.

All States and the District of Columbia require nursing care facility administrators to have a bachelor's degree, pass a licensing examination, complete a State-approved training program, and pursue continuing education. A license is not required in other areas of medical and health services management.

Medical and health services managers often are responsible for millions of dollars' worth of facilities and equipment and hundreds of employees. To make effective decisions, they need to be open to different opinions and good at analyzing contradictory information. They must understand finance and information systems, and

be able to interpret data. Motivating others to implement their decisions requires strong leadership abilities. Tact, diplomacy, flexibility, and communication skills are essential because medical and health services managers spend most of their time interacting with others.

Medical and health services managers advance by moving into more responsible and higher paying positions, such as assistant or associate administrator, or by moving to larger facilities.

## Job Outlook

Employment of medical and health services managers is expected to grow faster than the average for all occupations through 2012, as the health services industry continues to expand and diversify. Opportunities will be especially good in offices of physicians and other health practitioners, home healthcare services, and outpatient care centers. Applicants with work experience in the healthcare field and strong business and management skills should have the best opportunities.

Hospitals will continue to employ the most medical and health services managers over the projection period. However, the number of new jobs created in hospitals is expected to increase at a slower rate than in many other industries, as hospitals focus on controlling costs and increasing the utilization of clinics and other alternate care sites. Medical and health services managers with experience in large facilities will enjoy the best job opportunities, as hospitals become larger and more complex.

Employment will grow the fastest in practitioners' offices and in home healthcare agencies. Many services previously provided in hospitals will continue to shift to these sectors, especially as medical technologies improve. Demand in medical group practice management will grow as medical group practices become larger and more complex. Medical and health services managers will need to deal with the pressures of cost containment and financial accountability, as well as with the increased focus on preventive care. They also will become more involved in trying to improve the health of their communities. Managers with specialized experience in a particular field, such as reimbursement, should have good opportunities.

Medical and health services managers also will be employed by healthcare management companies who provide management services to hospitals and other organizations, as well as to specific departments such as emergency, information management systems, managed care contract negotiations, and physician recruiting.

## Earnings

Median annual earnings of medical and health services managers were \$61,370 in 2002. The middle 50 percent earned between \$47,910 and \$80,150. The lowest 10 percent earned less than \$37,460, and the highest 10 percent earned more than \$109,080. Median annual earnings in the industries employing the largest numbers of medical and health services managers in 2002 were as follows:

General medical and surgical hospitals .....	\$65,950
Home health care services .....	56,320
Outpatient care centers .....	55,650
Offices of physicians .....	55,600
Nursing care facilities .....	55,320

Earnings of medical and health services managers vary by type and size of the facility, as well as by level of responsibility. For

example, the Medical Group Management Association reported that, in 2002, median salaries for administrators were \$78,258 in practices with fewer than 7 physicians; \$92,727 in practices with 7 to 25 physicians; and \$125,988 in practices with more than 26 physicians.

According to a survey by *Modern Healthcare* magazine, median annual compensation in 2003 for managers of selected clinical departments was \$71,800 in respiratory care, \$79,000 in physical therapy, \$84,500 in home healthcare, \$85,100 in laboratory services, \$89,100 in rehabilitation services, \$89,500 in medical imaging/diagnostic radiology, and \$98,400 in nursing services. Salaries also varied according to size of facility and geographic region.

### **Related Occupations**

Medical and health services managers have training or experience in both health and management. Other occupations requiring knowledge of both fields are insurance underwriters and social and community service managers.

### **Sources of Additional Information**

Information about undergraduate and graduate academic programs in this field is available from:

► Association of University Programs in Health Administration, 730 11th St. NW., Washington, DC 20001-4510. Internet: <http://www.aupha.org>

For a list of accredited graduate programs in medical and health services administration, contact:

► Accrediting Commission on Education for Health Services Administration, 730 11th St. NW., Washington, DC 20001-4510. Internet: <http://www.acehsa.org>

For information about career opportunities in long-term care administration, contact:

► American College of Health Care Administrators, 300 N. Lee St., Suite 301, Alexandria, VA 22314. Internet: <http://www.achca.org>

For information about career opportunities in medical group practices and ambulatory care management, contact:

► Medical Group Management Association, 104 Inverness Terrace East, Englewood, CO 80112-5306.

For information about medical and healthcare office managers, contact:

► Professional Association of Health Care Office Management, 461 East Ten Mile Rd., Pensacola, FL 32534-9712.