
Medical and Health Services Managers

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Significant Points

- Job opportunities will be good, especially for applicants with work experience in health care and strong business and management skills.
- A master's degree is the standard credential, although a bachelor's degree is adequate for some entry-level positions.
- Medical and health services managers typically work long hours and may be called at all hours to deal with problems.

Nature of the Work

Health care is a business and, like every business, it needs good management to keep it running smoothly. Medical and health services managers, also referred to as *health care executives* or *health care administrators*, plan, direct, coordinate, and supervise the delivery of health care. These workers are either specialists in charge of a specific clinical department or generalists who manage an entire facility or system.

The structure and financing of health care are changing rapidly. Future medical and health services managers must be prepared to deal with the integration of health care delivery systems, technological innovations, an increasingly complex regulatory environment, restructuring of work, and an increased focus on preventive care. They will be called on to improve efficiency in health care facilities and the quality of the care provided.

Large facilities usually have several assistant administrators who aid the top administrator and handle daily decisions. Assistant administrators direct activities in clinical areas such as nursing, surgery, therapy, medical records, or health information.

In smaller facilities, top administrators handle more of the details of daily operations. For example, many nursing home administrators manage personnel, finances, facility operations, and admissions while also providing resident care.

Clinical managers have training or experience in a specific clinical area and, accordingly, have more specific responsibilities than do generalists. 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 quality; develop reports and budgets; and coordinate activities with other managers.

Health information managers are responsible for the maintenance and security of all patient records. Recent regulations enacted by the Federal Government require that all health care providers maintain electronic patient records and that these records be secure. As a result, health information managers must keep up with current computer and software technology and with legislative requirements. In addition, as patient data



Medical and health services managers may deal with personnel, billing and collection, budget, and procurement issues.

become more frequently used for quality management and in medical research, health information managers ensure that databases are complete, accurate, and available only to authorized personnel.

In group medical practices, managers work closely with physicians. Whereas an office manager might 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 might 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 could have larger staffs to manage. In addition, they might do more 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 might contain both inpatient and outpatient facilities and offer a wide range of patient services.

Work environment. Some managers work in comfortable, private offices; others share space with other staff. Most medical and health services managers work long hours. Nursing care facilities and hospitals operate around the clock; administrators and managers be called at all hours to deal with problems. They also travel to attend meetings or inspect satellite facilities.

Training, Other Qualifications, and Advancement

A master's degree in one of a number of fields is the standard credential for most generalist positions as a medical or health care manager. A bachelor's degree is sometimes adequate for entry-level positions in smaller facilities and departments. In physicians' offices and some other facilities, on-the-job experience may substitute for formal education.

Education and training. 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, at the departmental level within health care organizations, and in health information management. Physicians' offices and some other facilities hire those with on-the-job experience instead of formal education.

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 2007, 72 schools had accredited programs leading to the master's degree in health services administration, according to the Commission on Accreditation of Healthcare Management Education.

For people seeking to become heads of clinical departments, a degree in the appropriate field and work experience may be sufficient early in their career. However, a master's degree in health services administration or a related field might be required to advance. For example, nursing service administrators usually are chosen from among supervisory registered nurses with administrative abilities and graduate degrees in nursing or health services administration.

Health information managers require a bachelor's degree from an accredited program. In 2007, there were 42 accredited bachelor's degree programs and 3 master's degree programs in health information management according to the Commission on Accreditation for Health Informatics and Information Management Education.

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 health care also may have an advantage. Competition for entry into 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 coursework in areas such as hospital organization and management, marketing, accounting and budgeting, human resources administration, strategic planning, law and ethics, biostatistics or epidemiology, 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.

Licensure. 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. Some States also require licenses for administrators in assisted living facilities. A license is not required in other areas of medical and health services management.

Certification and other qualifications. Medical and health services managers often are responsible for facilities and equipment worth millions of dollars, and for 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.

Health information managers who have a bachelor's degree or postbaccalaureate from an approved program and who pass an exam can earn certification as a Registered Health Information Administrator from the American Health Information Management Association.

Advancement. Medical and health services managers advance by moving into more responsible and higher paying positions, such as assistant or associate administrator, department head, or chief executive officer, or by moving to larger facilities. Some experienced managers also may become consultants or professors of health care management.

New graduates with master's degrees in health services administration may start as department managers or as supervisory staff. 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 medical group 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.

Employment

Medical and health services managers held about 262,000 jobs in 2006. About 37 percent worked in hospitals, and another 22 percent worked in offices of physicians or in nursing and residential care facilities. Most of the remainder worked in home health care services, Federal Government health care facilities, outpatient care centers, insurance carriers, and community care facilities for the elderly.

Job Outlook

Employment of medical and health services managers is expected to grow faster than average. Job opportunities should be good, especially for applicants with work experience in the health care field and strong business management skills.

Projections data from the National Employment Matrix

Occupational Title	SOC Code	Employment, 2006	Projected employment, 2016		Change, 2006-16	
			Number	Percent	Number	Percent
Medical and health services managers.....	11-9111	262,000	305,000	43,000	16	

NOTE: Data in this table are rounded. See the discussion of the employment projections table in the *Handbook* introductory chapter on *Occupational Information Included in the Handbook*.

Employment change. Employment of medical and health services managers is expected to grow 16 percent from 2006 to 2016, faster than the average for all occupations. The health care industry will continue to expand and diversify, requiring managers to help ensure smooth business operations.

Managers in all settings will be needed to improve quality and efficiency of health care while controlling costs, as insurance companies and Medicare demand higher levels of accountability. Managers also will be needed to oversee the computerization of patient records and to ensure their security as required by law. Additional demand for managers will stem from the need to recruit workers and increase employee retention, to comply with changing regulations, to implement new technology, and to help improve the health of their communities by emphasizing preventive care.

Hospitals will continue to employ the most medical and health services managers over the 2006-16 decade. However, the number of new jobs created is expected to increase at a slower rate in hospitals than in many other industries because of the growing use of clinics and other outpatient care sites. Despite relatively slow employment growth, a large number of new jobs will be created because of the industry's large size.

Employment will grow fastest in practitioners' offices and in home health care agencies. Many services previously provided in hospitals will continue to shift to these settings, 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 also will be employed by health care management companies that provide management services to hospitals and other organizations and to specific departments such as emergency, information management systems, managed care contract negotiations, and physician recruiting.

Job prospects. Job opportunities will be good, especially for applicants with work experience in the health care field and strong business management skills should have the best opportunities. Medical and health services managers with experience in large hospital facilities will enjoy an advantage in the job market, as hospitals become larger and more complex. Competition for jobs at the highest management levels will be keen because of the high pay and prestige.

Earnings

Median annual earnings of wage and salary medical and health services managers were \$73,340 in May 2006. The middle 50 percent earned between \$57,240 and \$94,780. The lowest 10 percent earned less than \$45,050, and the highest 10 percent earned more than \$127,830. Median annual earnings in the industries employing the largest numbers of medical and health services managers in May 2006 were:

General medical and surgical hospitals.....	\$78,660
Outpatient care centers.....	67,920
Offices of physicians.....	67,540
Nursing care facilities.....	66,730
Home health care services.....	66,720

Earnings of medical and health services managers vary by type and size of the facility and by level of responsibility. For example, the Medical Group Management Association reported that, in 2006, median salaries for administrators were \$72,875 in practices with 6 or fewer physicians, \$95,766 in practices with 7 to 25 physicians, and \$132,955 in practices with 26 or more physicians.

According to a survey by the Professional Association of Health Care Office Management, 2006 average total compensation for office managers in specialty physicians' practices was \$70,474 in gastroenterology, \$70,599 in dermatology, \$76,392 in cardiology, \$67,317 in ophthalmology, \$67,222 in obstetrics and gynecology, \$77,621 in orthopedics, \$62,125 in pediatrics, \$66,853 in internal medicine, and \$60,040 in family practice.

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, 2000 North 14th St., Suite 780, Arlington, VA 22201.

Internet: <http://www.aupha.org>

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

- Commission on Accreditation of Healthcare Management Education, 2000 North 14th St., Suite 780, Arlington, VA 2220.

Internet: <http://www.cahme.org>

For information about career opportunities in health care management, contact:

- American College of Healthcare Executives, One N. Franklin St., Suite 1700, Chicago, IL 60606.

Internet: <http://www.healthmanagementcareers.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.

Internet: <http://www.mgma.org>

For information about medical and health care office managers, contact:

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

For information about career opportunities in health information management, contact:

- American Health Information Management Association, 233 N. Michigan Ave., Suite 2150, Chicago, IL 60601.

Internet: <http://www.ahima.org>