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Doc Worker

A partnership between Fletcher Allen and the UVM School of Business might make health care more efficient

by *Virginia Lindauer Simmon*

Paul Taheri, M.D., MBA, is president and CEO of the University of Vermont Medical Group at Fletcher Allen and senior associate dean for clinical affairs at the University of Vermont. He founded Fletcher Allen's Center for Health Care Management, a mini MBA program to help build a physician leadership team better equipped to tackle business-based issues in health care.

Surgeon by night; tie-wearing president and CEO of the University of Vermont Medical Group at Fletcher Allen by day; senior associate dean for clinical affairs at the University of Vermont College of Medicine: Meet Paul Taheri, M.D., MBA, head of the group of 500 doctors who practice at Fletcher Allen Health Care.

"Now I'll translate that into English," he says with a laugh. "In my day job, I run the financial and operational side of the business aspects of the clinical practice. I oversee that entity — about a \$250 million a year business. The physician practices, the work they do, the dollars they collect — all that flows into what we call a faculty practice and gets redistributed internally. That's what I do on a daily basis. I'm a trauma surgeon by training, so I take trauma call at night."

Taheri works with a core management team that includes two vice presidents who are physicians, a controller, and a vice president of operations. The practice itself has almost 1,100 employees.

It's rare to find an M.D. with an MBA, and Taheri has made good use of both. "The docs really don't understand business," he says, "nor should they. Their training is all about biochemistry, anatomy, and physiology; but today's health care is, unfortunately or fortunately, a lot about money and business. We may like to go back to 1985, but we can't."

To help bridge that gap, Taheri launched Fletcher Allen's Center for Health

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Care Management, a program similar to one he started at the University of Michigan. “We’re trying to take practicing providers — physicians, nurses, and administrators — to the business school and provide them with what we define as a mini MBA.

“We distilled out a lot of stuff that providers don’t need. For example, realistically, they don’t need to understand currency exchanges, so what we try and focus on is understanding basic concepts like the time value of money, because that’s related to something like capital budgeting, which physicians are engaged in in hospitals: how costs can and should be allocated. Things like that in the accounting world are very important.”

Important, maybe, but the medicine came first. The son of a surgeon in Buffalo, N.Y., it seemed logical for him to pursue the same path. After studying biology and chemistry at St. Lawrence University in Canton, N.Y., he entered medical school at New York University, graduating in 1988.

He began his surgical training at the State University of New York at Buffalo to be near his mother, who was terminally ill. He subsequently finished the bulk of his training at Tulane University in New Orleans.

Out of residency training in 1994, he joined the University of Michigan, where he served as division chief of the trauma burn service and eventually vice chair of surgery. While he was there, he had the chance to take a couple of executive courses — one at the Wharton School at the University of Pennsylvania and one at the Kellogg School of Management at Northwestern University.

He found a lot that interested him. “I said I should probably really learn this stuff, so I entered the day program at the University of Michigan business school when I was 35 or 36 years old.”

Asked how he could study for his MBA and still cover his practice duties, he laughs. “I covered the trauma program at night. I said to my colleagues, ‘You cover my days, and I’ll cover your nights,’ and they said, ‘Not a problem!’” He received his master of business administration from Michigan in 1999. In 2007, he came to Vermont and UVM.

By the 2008-09 academic year, he had created a pilot program at Fletcher Allen. It focused on four components of a traditional business education: finance, operations, organizational behavior, and strategy. The strong feedback from the 42 participants was enough to move ahead. A marketing component has since been added.

In July 2009, Taheri hired Abigail Trutor to direct the program.

Trutor had grown up in Vermont and was married to a Hinesburg native. She earned her bachelor of science from New York University’s Stern School of Business and an MBA from McGill University and the University of Vermont.

She had been a financial analyst in the bond market in New York City for six years when the bottom fell out. She was finishing up her MBA work at

UVM when she was introduced to Taheri by a professor.

“He’s the boss you always wanted but never thought you’d have,” she says. “He’s handed me this incredible thing and let me run with it.”

Trutor is excited about the program. “Particularly in the health care arena, our budgets are pretty thin. Everybody’s trying to fix health care, but health care is going to be more of a grass roots fix, if you ask me. Everybody’s got to be enabled. Empower them and give them the potential to change the system. It’s a fabulous thing to watch a physician work around a problem. We give them the tools in the mini MBA, and then resources.”

What sets the Fletcher Allen program apart from the executive courses at the major business schools, Taheri says, “is that their case studies are one point removed. We could pile all our docs and nurses on a bus and send them to Harvard School of Public Health, but they tell you how Wal-mart does it. That’s interesting, but not particularly relevant.”

First in Michigan, and then here, he addressed the problem of relevance by using the resident business school — in this case, the UVM School of Business Administration — to evaluate cases developed by the center’s innovation arm and make the content more relevant.

“We are using our own faculty to train our own docs and nurses,” he says, “so part and parcel with this curriculum, when we’re not running a class, is to enlist the faculty of the medical school — the clinicians — to work with the business school faculty on projects.

“For example, we have had projects on looking at how we do infusions across the campus. There are five sites for chemotherapy, but should we have four? Should we change the hours? How do we staff them? We write those up in case studies and use those in our classroom.

“Or say you’re the head of ICU; you’re intrigued; you go up and say, ‘Hey, I’ve got this problem with staffing.’ We get a student or make it an independent study; they study the faculty, get together, come up with a case, write it up; and we practice medicine.”

The program has just finished its fifth series, and there’s little doubt about its popularity. Each series has been fully enrolled, with a total of 125 participants: 61 percent of the alumni are physicians and residents from multiple specialties; 30 percent are administrators; and 9 percent are nurse managers. Average approval ratings are above 90 percent.

David Adams, M.D., an anesthesiologist, and the associate dean for graduate medical education, is responsible for all of the residency training programs. He sees the program as an important access to information that hasn’t been part of physician education in the past.

He was particularly impressed by presentations by David Jones, Ph.D., on organizational behavior and Mark Youndt, Ph.D., on strategy. “After the organizational behavior and strategy talks, we set up seminars on those two modules for residents who are graduating this year. We called it the

Business of Medicine course and we're having those two guys do mini versions of the modules."

The Center has recently begun to reach out to providers outside of the Fletcher Allen system. The probability that Central Vermont Medical Center will merge with Fletcher Allen — "Due diligence is going on right now," Taheri says — also opens up a new opportunity.

"We would love to have their faculty participate — their physicians and nurses. We've invited them at the senior levels to come try, so we have had a few outside providers. In fairness, we just started to open it up, and the reason has been that we want to get it right."

He has hopes that the education provided by this program will eventually help to address the cost of health care in general.

"If there's anything to convey in this," he says, "it is that physicians are as concerned about the costs and business side of delivery as anybody else is. Many stakeholders are trying to solve the problem. Some think it's to pay less for the same service; I think it's better to educate the providers and the core transaction — the doctor and the patient — so the more we optimize that transaction by understanding basic business principles, the lower cost per unit of service there will be." •



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