

# OPHTHALMIC MBA



I distinctly remember, during residency, a lunchtime seminar on disability and life insurance given by a local salesman. With terms like *own-occupation* and *variable whole life*, the session was an eye opener and perhaps my first exposure to what we surgeons all refer to as the *business of ophthalmology*. At the time, the legal and business terminology were much more confusing than my ophthalmic curriculum.

Twenty years later, the business side of medicine continues to be one of the most dynamic and challenging aspects of my life, and I know I am not alone in this. At ophthalmic meetings, my friends, colleagues, and I spend as much time sharing business pearls as discussing which presbyopia-correcting lens we use and why. Much as in eye care, the business landscape, rules, and available options continue to expand and evolve year by year, and staying current requires constant vigilance and an ear to the ground.

The early learning curve for me was steep. I quickly digested things such as maximizing 401(k) savings versus a defined benefit plan, living wills with advance directives, power of attorney, and executors. Along with parenthood came variable and whole life insurance policies, revocable and irrevocable family trusts, and estate tax planning. Liability and asset protection became hot topics. I reduced malpractice coverage to 250/750 to deincentivize medical malpractice attorneys, set up asset protection accounts with dual names, established tenancy by entirety accounts, and put assets in family trusts. In addition, we researched

and put in place arbitration agreements for all patients to sign. New limited liability companies were created in the form of leasing companies, ambulatory surgery centers, land trusts, and consulting services.

The magnitude of business topics about which ophthalmologists need to be knowledgeable is expansive and growing:

- partnership agreements with restrictive covenants
- termination clauses with and without cause and their impact on buyout agreements
- independent contractors and Stark laws
- OD-MD comanagement contracts
- financial analytics and benchmarking
- embezzlement avoidance strategies
- hybrid compensation models to facilitate group practice growth

This list scratches the surface and is a broad stroke of all that encompasses the business of medicine.

Unfortunately, there is no crash course for this information. Education happens as ophthalmologists encounter fresh challenges. Just this year, I explored increasing disability coverage based on new insurance regulation as well as private equity acquisition opportunities.

We have friends and colleagues, however, who can offer business advice and guidance. In addition, some very talented attorneys and business development consultants work almost exclusively within the ophthalmic space, and they can be a tremendous resource. Not unlike in refractive surgery, those of us who make a concerted effort to stay ahead of the curve with regard to our business will likely find success and satisfaction in what we do. ■

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