

# THE ROI

# OF AN ADVANCED HEALTH CARE DEGREE

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Doctoral | Master's | Bachelor's



# INTRODUCTION

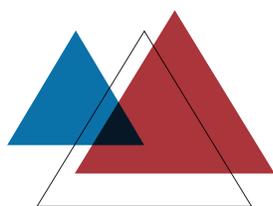
As the Affordable Care Act reshapes the health care industry, a new set of roles and career opportunities are emerging in hospitals and health systems nationwide.<sup>1</sup> These new roles are not only helping to significantly transform the way health care is delivered – they are *leading* the transformations within health care organizations.

Who are the individuals leading this era of change? From nurses and physicians to informaticists and administrators, leaders with a diverse range of backgrounds are collaborating to address the many deep challenges that have long plagued the U.S. health care system.

But with new roles and opportunities comes the need for updated information, training and education. That's why many leaders are choosing to go back to school to earn advanced degrees in health care, investing in their careers through master's and doctoral programs. Companies, too, are choosing to equip their leadership with new skills and knowledge by encouraging – and sometimes financing – their continuing education.

In the following pages, you will read about:

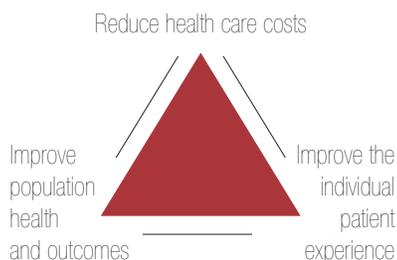
- How advanced health degrees help spur organizational change and excellence
- The investment and the tangible return of an advanced degree for individuals and employers
- Reasons behind two health executives' decisions to head back to school
- The four main areas of study and typical coursework involved



the triple aim:  
a call for  
collaboration

When the Institute for Health Improvement set forth three main goals for a new and improved health care system, it became clear to many executives that their organization would need to develop new ways of delivering care.

The Triple Aim goals include:



Working toward Triple Aim goals requires breaking down traditional silos that exist in the health care industry, further demanding new skills that can lead through collaborative change.

## An Agent for Organizational Change and Excellence

Advanced degrees are a natural fit for those enacting change. Doctoral education is research focused, and health care professionals and executives who earn the degree are well-equipped to develop and lead research- and evidence-based improvement initiatives.

Those who earn advanced degrees do so because they want to “completely change the industry, need excellent leadership skills and are already a manager or vice president,” says Dorothy Billingsly, a Managing Director of the health care division at Chicago, Illinois-based Ferguson Partners, an executive recruitment and placement firm in the industry. “The more executives with master’s and PhDs, the more we can add value to the health care industry.”

**A PHD SETS YOU APART FROM THOSE WHO ARE LOOKING FOR ANSWERS, TO ONE OF THE FEW WHO HAVE THE ANSWERS.**

Michael Becker, PhD

Entirely new roles are also emerging as a result of health reform and the shift toward value-based care. Positions are especially growing within health compliance, patient-experience divisions, as well as data management and analytics. These new roles aren’t necessarily being filled by industry outsiders – they are being filled by current health executives who are learning to modernize their skills through continuing education.

“I have students in their upper 60s – they want to bring new expertise to their organizations,” says Cheryl Anderson, an adjunct faculty member at Capella University who teaches doctoral-level courses in public health and health care administration.

The new roles are fueling sizeable growth in the health care work force. According to the U.S. Bureau of Labor Statistics, occupations in industries related to health care and social assistance are projected to add nearly 30 percent of all new jobs between 2012 and 2022.

Industries related to health care and social assistance are expected to create

**30%** of all new jobs between 2012 and 2022



# Doors are Opened

**GETTING AN  
ADVANCED DEGREE  
IS ABOUT LEARNING  
TO BECOME A MORE  
CRITICAL THINKER AND  
TO MOVE UP THE  
CAREER LADDER. IF  
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HELP HUMANITY,  
YOU CAN DO MORE FOR  
OTHERS IF YOU HAVE  
MORE EDUCATION.**

Cheryl Anderson  
adjunct faculty  
Capella University

As organizations and the industry benefit from advanced education, the individuals obtaining degrees are also discovering new opportunities in their careers, from promotions and pay increases to thought leadership engagements. (On pg. 6, read how a PhD in health administration uncovered speaking opportunities for one executive.) Only after earning an advanced degree do professionals and executives see doors opened that they never realize existed, says Anderson, the adjunct faculty member at Capella University.

While advanced health degrees have been around for decades, they are increasingly necessary to leaders interested in upward advancement, say Anderson and Billingsly, the health care executive recruiter. "If you want to be a department manager at a large hospital, you need a master's degree. Sometimes in order to keep their positions, people are being asked to get a master's degree," Anderson says.

## The return on investment of a graduate degree

The corresponding pay increase can be tremendous after completing master's and doctoral work. No matter the industry, education level typically corresponds with a person's earning power.

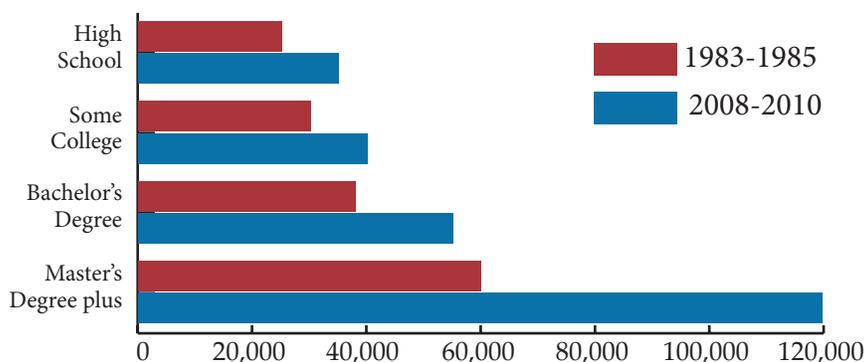
Yet health care stands out as one industry where advanced degrees make a significant difference in pay. According to the Georgetown University Center on Education and the Workforce, an advanced degree (master's or doctoral) in health care enables workers in the industry to more than double their average wages.<sup>ii</sup> That gap has grown over time: The difference in average pay between a bachelor's and master's 40 years ago was much smaller than recently. (See figure A.)

**FIGURE A**

### Average salary variations of health care professional and technical occupations

Now more than ever, advanced degrees are paying off in overall income increases compared to the salary variations 30 years ago. Income of health care professionals with master's and doctoral degrees have doubled over the last few decades.

*Courtesy of: Georgetown University Center on Education Analysis*





# Four Areas of Advanced Health Care Education

Four areas of advanced health education cover the shifting landscape in health care: **public health, health administration & management, nursing, and informatics and technology.**

Some of the most common master's and doctoral degrees in health care include:

Master of Public Health (MPH)

Master of Health Administration (MHA)

Master's of Business Administration (MBA)

Master's of Science (MS)

Master of Science in Nursing (MSN)

Doctor of Philosophy (PhD)

Doctor of Business Administration (DBA)

Doctor of Health Administration (DHA)

Doctor of Public Health (DrPH)

Doctor of Nursing Practice (DNP)

## Public Health

Public health – the science of improving and protecting the health of families and communities – is still growing with many opportunities in the federal and private sector.

The profile of public health has been dramatically raised since the Affordable Care Act passed in 2010, as the law addresses population health management while adding new funding sources, new health entities and a focus on innovation.<sup>iii</sup>

“The Affordable Care Act was implemented for people to become insured, but really it’s a chance to look overall at how health care providers are providing health care,” says Roblena Walker, a Capella University public health faculty member and dissertation mentor, who has also served as a molecular biologist and research scientist at the Centers for Disease Control and Prevention in Atlanta. “In order to continually provide better outcomes and better experiences, you need better people to step in.”

Coursework can include:

- » Introduction to Public Health Administrative Systems
- » Environmental Health Concepts in Public Health
- » Principles of Epidemiology
- » Principles of Biostatistics

“Getting an advanced degree is about learning to become a more critical thinker and to move up the career ladder,” Anderson says. “If your goal is to help humanity, you can do more for others if you have more education.”

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An advanced degree in health care enables workers in the industry to more than **double their average wages.**

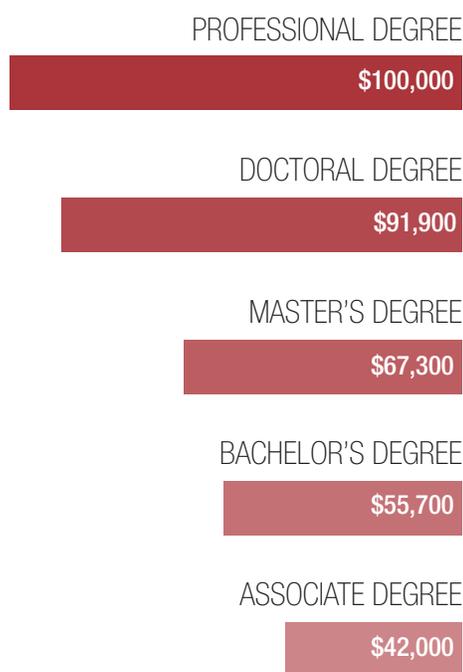
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## Health Administration & Management

**FIGURE B**

### Average salaries according to highest degree earned



Courtesy of:  
U.S. Census Bureau, 2009

The combination of new ACA guidelines and the Triple Aim have increased the need for people who are experts in policies and planning, and can better adapt health care organizations to the era of accountable care.

“If a person aspires to plan, direct, coordinate or supervise the delivery of health care, [an advance degree] is a great way to get there,” Walker says. From working as a health care administrator to a clinical manager, a master’s degree or higher is required for almost every position within the health care management field.

#### Coursework can include:

- » Principles of Biostatistics Health Care Policy and Law
- » Finance and Reimbursement
- » Economics and Decision-Making
- » Strategic Health Care Planning
- » Project Management and Team Leadership
- » Risk and Regulatory Compliance

The growing consolidation among providers also necessitates leaders who can manage health systems from multiple angles. Health administration and management programs provide that holistic view of health care, covering areas such as financial risk, patient safety, care coordination and more.

Those in health care administration see a drastic increase in wages with a master’s degree when compared with a bachelor’s degree.



### Michael Becker: Executive Student

Vice President of Nursing and Chief Nursing Executive  
PhD in Health Administration, 2011

Juggling a full-time job, a family and doctorate coursework isn’t easy, but Michael Becker, the Vice President of Nursing and Chief Nursing Executive at Masimo Corporation, made it work. “I didn’t

start my school work until after 9 p.m., many nights up to 3 a.m. and I’d go to work 7:30 a.m.,” he says.

Dr. Becker was the Chief Nursing Officer at Penn Presbyterian Medical Center at the time, and knew that if he wanted credibility in the C-suite, he needed a PhD in health admin-

istration. “A Doctoral degree sets you apart from those who are looking for answers to one of the few who have the answers,” he says.

Since earning his doctorate in 2011, Dr. Becker has been invited to several speaking engagements on quality and safety in health care – engagements that were not offered when he had only a master’s degree. Today, he works with nursing groups to increase their awareness of Masimo, a health technology vendor based in Irvine, California.

“When I came over to Masimo from Penn Presbyterian Medical Center, I wanted to enhance patient safety through technology, I knew I could only do that if I had a PhD.”



## Nursing

With more than 3 million members, nurses represent the largest segment of the U.S. health care work force, according to the Institute of Medicine.<sup>iv</sup> But less than 1 percent hold doctoral degrees in the nursing industry.

In 2008, The Robert Wood Johnson Foundation (RWJF) and the Institute of Medicine (IOM) launched a two-year initiative to assess the growing needs and transformation of the nursing profession.<sup>v</sup>

### The IOM report found:

- Nurses should practice to the full extent of their education and training.
- Nurses should achieve higher levels of education and training through an improved education system that promotes seamless academic progression.
- Nurses should be full partners with physicians and other health care professionals in redesigning health care in the United States.
- Effective work force planning and policy-making require better data collection and information infrastructure.

In response to the report, health care organizations are looking to increase their bachelor's-prepared RN staff from 50 percent to 80 percent and double the number of nurses with a doctorate by 2020.<sup>vi</sup> Although 13 percent of nurses hold a master's degree, fewer than 1 percent (28,369 nurses) have a doctoral degree in nursing or a nursing-related field.

IOM says nurses must see themselves as leaders, playing a vital role in achieving the Triple Aim.

### Coursework can include:

- » Policy, Law, Ethics and Regulations
- » Health Promotion and Disease Prevention in Vulnerable and Diverse Populations
- » Nursing Leadership and Management
- » Organizational and Systems Leadership for Nursing Practice
- » Introduction to Nursing Research and Technology

"The industry is breaking the bounds of what nurses do," says Anderson, the adjunct faculty member at Capella University. "The nursing field is expanding to a more professional doctorate (DNP)." Plus, more universities need nurses with advanced degrees to educate their peers: A shortage of nursing faculty is a key reason U.S. nursing schools turn away thousands of qualified applicants each year.

**HEALTH CARE  
ORGANIZATIONS  
ARE LOOKING TO  
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NUMBER OF  
NURSES WITH A  
DOCTORATE  
BY 2020**

# Elizabeth Wertz Evans: Executive Student

CEO; PhD in Organization and Management, 2013

Elizabeth Wertz Evans jokes that she kicked around the idea of getting a PhD for a while before finally starting in August 2008. At the time, she was serving as the CEO of Pediatric Alliance, a network of pediatric physicians in southwestern Pennsylvania, where she had increased annual revenue from \$7.9 million to \$22 million over 10 years.

"I wanted to learn more about research feats," says Dr. Evans, who had a background in nursing and administration. "My kids thought I was crazy, but I had a desire to get more education."

She then left her position at Pediatric Alliance and signed up for an Organization and Management PhD program at Capella University. Her goal: Publish research that would have a direct effect

on nurses in the clinical setting and make it easier for nurses to reach leadership positions.

"I got my current job because of my degree," Dr. Evans says. "All the people that reported to me had their PhDs. The CEO that I reported to recognized that I was in school. It was a major reason I have the job I have now." Even more amazing, Dr. Evans, a mother of four, was able to still complete her PhD in 2013 despite undergoing treatments for breast cancer.

Based on her dissertation, which focused on health informatics and technology within the nursing industry, Evans presented at the annual Health Information Management Systems Society (HIMSS) Conference in February



2014, and was even mentioned by the keynote speaker.

"In order to contribute to the changes in health care, you need the background and education if you are going to make a difference" she says. "You have to know what kind of strategies work, and more importantly, what strategies don't work."

## Health Informatics & Technology

Technology is a key driver of health care transformation. With the explosion of health information technology, more health systems and individual providers are gathering data on patients. The challenge is turning the data into useful information that can benefit the patient.<sup>vii</sup>

That's why there is a greater need for leaders in the health informatics and technology field to analyze this data to impact decision-making and improve the overall health of our communities. The emerging field of health informatics (which is sometimes also called health information or health information systems) is about improving care by sharing more data and information.

"Health Information and Technology is critical for care coordination, because you are looking at a patient as a whole and treating the patient as a whole," says Elizabeth Wertz Evans, a health care executive who recently completed a PhD in Organization & Management.

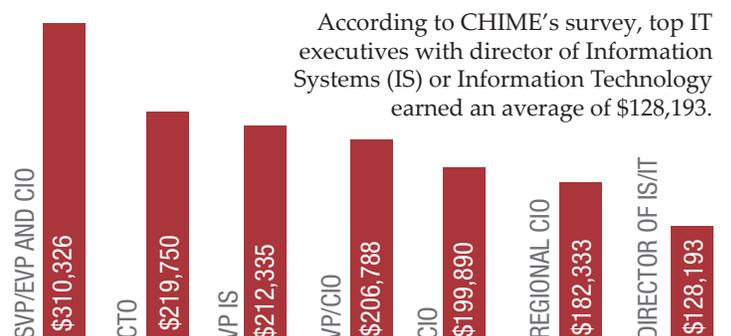
Coursework for such master's and PhDs in this field are heavily focused on statistical analysis, database use and critical thinking for application of knowledge. Students will learn more about data mining and how appropriate analysis can change the way health care is delivered at the system level and perhaps even the national level.

### Coursework can include:

- » Information Technology Life Cycle Management Processes in a Changing Environment
- » Strategic Management and Practice
- » Quantitative Research Techniques
- » Advanced Qualitative Research
- » Economics in Global Environments
- » Business Principles and Practices

FIGURE C

### Average Base Salary by Job Title



Courtesy of: College of Healthcare Information Management Executives



# CONCLUSION

## The Individual Investment

The return for earning an advanced degree in health care is apparent. But what does the investment side of the equation look like?

From an individual's perspective, an average year of graduate school tuition costs \$21,900 per year at a public institution and \$34,100 at a private institution.<sup>viii</sup> Most master's and doctoral programs are between two and three years, so an advanced degree can range from about \$40,000 to more than \$100,000 based on those figures, and depending on the individual program and institution.

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The average graduate degree in America is worth:

\$400,000

OVER A 40-YEAR CAREER

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However, the average graduate degree in America is worth about \$400,000 over a 40-year career, which is well over the cost of the degree. Compared with advanced degrees in other industries, health and medical preparatory program degrees are the most valuable when it comes to salary increases. Graduate degrees can increase salary by 190 percent, according to the Georgetown University Center on Education and the Workforce.



## The Employer's Investment

From an employer's perspective, studies show that companies investing in employees' education reap benefits in productivity, profits and lower turnover. A 2000 study by the American Society for Training and Development, sponsored by Motorola, shows that every dollar invested in employee education resulted in a \$10 productivity gain. The study also found that companies spending an average of only \$1,575 annually per employee on education saw 24 percent higher gross margins than those who spend less.

More health care providers are now recognizing the benefits of helping their employees return to school. Large providers such as Partners Healthcare, Advocate Health Care and Baylor Health Care System now offer tuition assistance programs for their employees seeking higher education in health care.

Employee turnover and satisfaction is also affected when employers invest in education, most commonly through a Tuition Assistance Program (TAP). One study of 10,105 employers by the Lancaster Center at Penn State University showed an average employee turnover of 19 percent, but that turnover rate dipped to 8 percent for employees using the Tuition Assistance Program. The turnover savings for the study group are noted in Figure D.<sup>ix</sup>

**FIGURE D**

### Turnover Rate and Savings for Tuition Assistance Program Employees

	Turnover Rate	Rehire Cost
GENERAL POPULATION	19%	\$44,158,850
TAP POPULATION	8%	\$18,593,200
<b>TURNOVER SAVINGS</b>		<b>\$22,565,650</b>

*Example based on 10,105 participants. Program expenses for 2006 were \$23.5 million.  
Courtesy of: The Lancaster Center at Penn State University*

#### Citations

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Capella University offers accredited health care and nursing degrees at the bachelor's, master's and doctoral level. Capella's health care degree programs are competency based, aligned to professional standards such as the IHI Triple Aim Initiative and NCHL Healthcare Leadership Competencies, and recognized by employers for on-the-job impact. Capella offers FlexPath, a new self-paced learning option that allows students to develop the same skills as they would through Capella's traditional programs, but in a more flexible way.



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