

# **COMPREHENSIVE FINANCIAL PLANNING STRATEGIES FOR DOCTORS AND ADVISORS**

[Best Practices from Leading Consultants and Certified Medical Planners™]



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**By Dr. David Edward Marcinko; MBA, CMP™**  
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[Managing Editor]

## **PREFACE**

**COMPREHENSIVE FINANCIAL PLANNING STRATEGIES FOR DOCTORS AND ADVISORS** [Best Practices from Leading Consultants and Certified Medical Planners™] will shape the physician-focused financial planning landscape for the next-generation of Health 2.0 medical professionals and their financial advisors.

### **Why Now?**

We created this innovative textbook because the healthcare industry is rapidly changing and the financial planning ecosystem has not kept pace. Traditional insurance-commission and sales-driven generic advice is yielding to a new breed of deeply informed fiduciary advisor, and educated consultant, or Certified Medical Planner (CMP™). Internet and social media of the last decade demonstrates that medical providers are becoming accustomed to the need for knowledgeable advice. And so, financial planning is set to be transformed by "market disruptors" that will soon make an impact on the \$2.8 trillion healthcare marketplace for those financial advisers serving this sector.

We are at the leading edge of this positive disruption -- also known as niche based Financial Planning 2.0 -- that over time will see today's command-controlled financial services industry becomes a wide open academic marketplace. And, a growing cadre of specialty entrants is poised to shake up the industry drawing billions of dollars in revenue from traditional broker-dealer organizations while building lucrative new markets.

For example, an iMBA Inc survey points to the growing need for financial advisors to serve current and future medical professionals thanks to their eagerness to seek premium financial planning solutions from non-traditional sources and providers; like the online Certified Medical Planner™ charter designation program. The industry is ripe for a shakeup and physician focused financial planning will soon have its own new brands. We

aim to be among the first-movers and top tier names in the industry.

## **How We Are Different?**

**COMPREHENSIVE FINANCIAL PLANNING STRATEGIES FOR DOCTORS AND ADVISORS [Best Practices from Leading Consultants and Certified Medical Planners™] will change this niche industry sector by following eight important principles.**

First, we have assembled a world-class editorial advisory board and independent team of contributors and reviewers and asked them to draw on their experiences in contemporaneous healthcare focused financial planning. Like many of their physician and nurse clients, each struggles mightily with the decreasing revenues, increasing costs, automation, SEC scrutiny and higher physician-client expectations in today's competitive financial advisory and technological landscape. Yet, their practical experience and physician focused education, knowledge and vision is a source of objective information, informed opinion and crucial information to all consultants working with doctors and medical professionals in the financial services field.

Second, our writing style allows us to condense a great deal of information into one volume. We integrate bullet points and tables; pithy language, prose and specialty perspectives with real world examples and case models. The result is an oeuvre of integrated financial planning principles vital to all modern physicians and allied healthcare professionals.

Third, to the best of our knowledge, this is the first peer-reviewed book of its type, as we seek to follow traditional medical research and journal publishing guidelines for best practices. We present differing viewpoints, divergent and opposing stake-holder perspectives, and informed personal and professional opinions. Each chapter has been reviewed by one to three outside independent reviewers and critical thinkers. We include references and citations, and although we cannot rule out all biases, we do strive to make them transparent to the extent possible.

Fourth, our perspective is decidedly from the physician-client side of the equation. More specifically, as consultants to medical professionals, we champion the physician-investor over the financial advisor. And, to the extent that both sides ethically succeed; we hope all concerned "do well - by doing good". This is unique in the fee and commission driven financial services industry. Much like the emerging patient-centered care initiative in medicine, we call it client-centered advice.

Fifth, it is important to note that deep specificity and niche knowledge is needed when advising physicians and healthcare providers. And so, we present information directly from that space, and not by indirect example from other industries, as is the unfortunate norm. Medical case models, healthcare industry examples, and anecdotal insights from the *Over Heard in the Doctor's Lounge*, and *Over Heard in the Advisor's Lounge* features, are also included. Finally, personalized financial planning for all medical professionals is our core, and only focus.

Sixth, this textbook represents an academic template for about 25 percent [125/500 credit hours] of the Certified Medical Planner™ chartered professional online certification program curriculum. It is useful for those studying, auditing, or considering matriculation for this prestigious designation mark.

Seventh, we include a glossary-of-terms specific to the text, a list of comprehensive advice sources, and three illustrative physician-specific financial plan examples additionally available by separate order.

Finally, as editors, we prefer engaged readers who demand compelling content. According to conventional wisdom, printed texts like this one should be a relic of the past; from an era before instant messaging and high-speed connectivity. Our experience shows just the opposite. Applied physician focused personal financial planning literature, from informed fiduciary sources, is woefully sparse; just as a plethora of generalized internet information makes that material less valuable to doctor clients.

### **A Seminal Work**

And so, rest assured that COMPREHENSIVE FINANCIAL PLANNING STRATEGIES FOR DOCTORS AND ADVISORS [Best Practices from Leading Consultants and Certified Medical Planners™] will become a seminal book for the advancement of personal financial planning and related personal micro-economic principles in this niche ecosystem. In the years ahead, we trust these principles will enhance utility and add value to your book. Most importantly, we hope to increase your return on investment by some small increment.

If you have any comments or would like to contribute material or suggest topics for future editions please contact me.

**Professor Hope Rachel Heticó**  
[Managing Editor]

### **TARGET MARKET AND IDEAL READERS**

COMPREHENSIVE FINANCIAL PLANNING STRATEGIES FOR DOCTORS AND ADVISORS [Best Practices from Leading Consultants and Certified Medical Planners™] should be in the hands of all:

\* Allopathic, [MD], osteopathic [DO] and podiatric physicians [DPMs]; dentists [DDS and DMD]; nurses [RNs-LPNs], Advanced Nurse Practitioners [ANPs] and Physician Assistants [PAs]; physical therapists [PTs], Doctors of Chiropractic [DCs]; CRNAs and DVMs; occupational therapists [OTs], physical and speech therapists and related assistants and allied healthcare providers.

\* Medical, law, graduate and nursing school students, interns, resident and fellows; as well as new, mid-life and mature healthcare practitioners of all types!

\* Financial advisors [FAs], Registered Investment Advisors [RIAs], Certified Financial Planners® [CFPs], Wealth Managers [WMs], Chartered Financial Analysts [CFAs], Chartered Life Underwriters [CLUs] , insurance agents, stock-brokers, bankers, attorneys, Registered Financial Consultants [RFCs], Certified Public Accountants [CPAs], Enrolled Agents [EAs], Investment Advisors [IAs] and all other financial intermediaries, consultants and product salesman of all stripes, degrees and general designations.

\* Retail, discount, wholesale [on-ground and on-line] brokerage firms and wirehouses, as well as hedge and mutual Fund managers, hospital and healthcare entity Endowment Fund managers.

\* Fraternal financial services organizations like the American College of Financial Services in Bryn Mawr, PA; Certified Financial Planner Board of Standards [CFP-BOD] in Washington, DC; the College for Financial Planning [CFP] in Centennial, CO; and the National Association of Personal Financial Advisors [NAPFA] in Arlington Heights, IL; etc.

\* All undergraduate, graduate and business schools and universities with related certification conferring education programs and investing or insurance related diplomas, adult learning and CEU programs.

## **DEDICATION**

It is an incredible privilege to edit COMPREHENSIVE FINANCIAL PLANNING STRATEGIES FOR DOCTORS AND ADVISORS [Best Practices from Leading Consultants and Certified Medical Planners™]. One of the most rewarding aspects of my career has been the professional growth acquired from interacting with medical colleagues, legal and financial services professionals of all stripes. The mutual sharing and exchange of ideas stimulates the mind and fosters advancement at many levels.

For example, we take pride and inspiration from pioneering medical and financial planning colleagues like John Stephens MD MBA CFA® CFP®; Erik Thurnher MD CFP®; Joel Greenwald MD CFP®; Douglas G. Burnette MD CFP®; Jeff Davenport MD CFP®, Ralph Broadwater MD CFP® AIF®; Carolyn McClanahan MD CFP®; Richard Mata MD MS CMP™ [Hon]; Stanley S. Zelman DDS CFP®; Jeffery Hochstein DDS CFP®; John N. Carmody DDS CFP®; Robert J. Mallin DDS CFP®; James M. Belcher DDS CFP®; Gregory Kasten MD MBA CFP®; Harold Whittman DDS CFP®; Joseph Ellis DPM EA CFP®; Brent W. Bost MD MBA CPA; Jeffrey J. Rockefeller DPM MBA CFP® and James Winston Phillips MD JD MBA LL.M.

Of course, creating this text was a significant effort that involved all members of our firm. Over the past year we interfaced with numerous outside private and public

companies - as well as the internet blogosphere - to discuss its contents. And, although impossible to list every person or company that played a role in its production, there are several other people we wish to thank for their support and encouragement: Kristine Mednansky - Senior Editor Business Improvement [Healthcare Management], Karen Sober - Editorial Assistant, Kari Budyk - Senior Project Coordinator and Richard O'Hanley - CRC Press [A Taylor & Francis Group].

Finally, we acknowledge this text would not have been possible without the support of our families whose daily advocacy encouraged all of us to completion. It is also dedicated to our clients, all Certified Medical Planners™ and adult-learners; and the contributing authors who crashed the development life cycle in order to produce time-sensitive material in an expedient manner. The satisfaction we enjoyed from working with them is immeasurable.

Any accolades are because of them .... All defects are my own.

**Dr. David Edward Marcinko; MBA, CMP™**  
Norcross, Georgia, USA

**EDITOR-IN-CHIEF**



**David Edward Marcinko**

Dr. David Edward Marcinko is a next generation apostle of Nobel Laureate Kenneth Joseph Arrow PhD as a healthcare economist, administrative and technology futurist, risk manager and former board certified surgeon from Temple University in Philadelphia. In the past, he edited eight practice-management books, three medical textbooks and manuals in four languages, five financial planning year-books, dozens of interactive CD-ROMs, and three comprehensive healthcare administration dictionaries. Internationally recognized for his clinical work, he is an honorary distinguished visiting professor of surgery at the Marien Hospital - Aachen Germany - who provides litigation support and expert witness testimony in State and Federal Court, with medical publications archived in the Library of Congress and the Library of Medicine at the National Institute of Health [NIH]. His thought leadership essays have been cited in journals like: *Managed Care*

*Executives, Healthcare Informatics, Medical Interface, Plastic Surgery Products, Teaching and Learning in Medicine, Orthodontics Today, Chiropractic Products, Journal of the American Medical Association, Podiatry Today, Investment Advisor Magazine, Registered Representative, Financial Advisor Magazine, CFP™ Biz (Journal of Financial Planning), Journal of the American Medical Association (JAMA.ama-assn.org), The Business Journal for Physicians, and Physician's Money Digest;* by companies and professional organizations like the Medical Group Management Association (MGMA), American College of Medical Practice Executives (ACMPE), American College of Physician Executives (ACPE), American College of Emergency Room Physicians (ACEP), Health Care Management Associates (HMA), and PhysiciansPractice.com; and by academic institutions like the UCLA School of Medicine, Northern University College of Business, Creighton University, Medical College of Wisconsin, University of North Texas Health Science Center, Washington University School of Medicine, Emory University School of Medicine, and the Goizueta School of Business at Emory University, University of Pennsylvania Medical and Dental Libraries, Southern Illinois College of Medicine, University at Buffalo Health Sciences Library, University of Michigan Dental Library, and the University of Medicine and Dentistry of New Jersey, among many others. Dr. Marcinko also has numerous primary and secondary editorial and reviewing roles to his credit.

Dr. Marcinko received his undergraduate degree from Loyola University Maryland, completed his internship and residency at the Atlanta Hospital and Medical Center, is a Fellow of the American College of Foot and Ankle Surgeons, earned his business degree from the Keller Graduate School of Management (Chicago), and his financial planning diploma from Oglethorpe University (Atlanta). He was a licensee of the CERTIFIED FINANCIAL PLANNER® Board of Standards for a decade, and holds the Certified Medical Planner™ designation (CMP™). He earned Series #7 (general securities), Series #63 (uniform securities state law), and Series #65 (investment advisory) licenses from the National Association of Securities Dealers (NASD) and Financial Industry Regulatory Authority (FINRA), and was a life, health, disability, variable annuity, and property-casualty license from the State of Georgia. Dr. Marcinko was also co-founder of an ambulatory surgery center that was sold to a public company, and has been a Certified Physician in Healthcare Quality (CPHQ); a certified American Board of Quality Assurance and Utilization Review Physician (ABQAURP); a medical-staff vice president of a general acute care hospital; an assistant residency director; a founder of a computer-based testing firm for doctors; and president of a regional physician practice-management corporation in the Midwest. He was a member of the American Health Information Management Association (AHIMA) and the Healthcare Information and Management Systems Society (HIMSS); a member of the Microsoft Professional Accountant's Network (MPAN); website engineer and beta tester for Microsoft Office Live Essentials program, and Microsoft Health User's Group (MS-HUG) member; and a registered member of the US Microsoft Partners Program (MPP). And, as president of a privately held physician practice management corporation in 1999, he consolidated 95 solo medical practices with \$150 million in revenues for a pre-IPO listing. In 2011, he joined the Physician Nexus Medical Advisory Board.

Currently, Dr. Marcinko is Chief Executive Officer for the Institute of Medical Business Advisors, Inc. The firm is headquartered in Atlanta and works with a diverse list of individual and corporate clients. It sponsors the professional Certified Medical Planner™ charter designation program and counsels maverick physicians transitioning into alternate careers. As a nationally recognized educational resource center and referral alliance, iMBA and its network of independent professionals provide solutions and managerial peace-of-mind to physicians, healthcare organizations and their consulting business advisors. He also helped developed medical, business, graduate and undergraduate school curriculum content for the American College of Physician Executives [ACPE], Medical Group Management Association [MGMA] and the American College of Healthcare Executives [ACHE]. A favorite on the lecture circuit, Dr. Marcinko is often quoted in the media, and frequently speaks on related topics throughout this country and Europe in an entertaining and witty fashion. He is a popular authority on transformational business strategies across a pantheon of related industries. He is also a social media pioneer and publisher of the *Medical Executive Post*, an influential syndicated Health 2.0 interactive blog forum.

As an award-winning journalist, media broadcaster, speaker, public health ambassador, financial planning and economics consultant, Dr. Marcinko is available to colleagues, clients and the press at his corporate office in Atlanta, GA.

#### **MANAGING EDITOR**



**Hope Rachel Hetico**

Hope Rachel Hetico received her bachelor's degree in nursing (BSN) from Valpariso University, and her Master of Science in Healthcare Administration (MHA) from the University of St. Francis, in Joliet, Illinois. She is author's editor of a dozen major textbooks and is a nationally known expert in managed medical care, medical reimbursement, case management, health insurance, utilization review, National Association of Healthcare Quality (NAHQ), Health Education Data Information Set (HEDIS), and The Joint Commission (TJC) Clinical Quality Measures [CQMs] and regulations.

Prior to joining the Institute of Medical Business Advisors as Chief Operating Officer, Ms. Hetico was a hospital executive, financial advisor, insurance agent, Certified Professional in Healthcare Quality (CPHQ), and distinguished visiting assistant professor

of healthcare administration for the University of Phoenix, Graduate School of Business and Management in Atlanta. She was also national corporate Director for Medical Quality Improvement at Abbey, and then Apria Healthcare, a public company in Costa Mesa, California.

A devotee of health information technology and heutagogy, Ms. Hetico is responsible for leading the website: [www.CertifiedMedicalPlanner.org](http://www.CertifiedMedicalPlanner.org) to the top of the exploding adult educational marketplace, expanding the online and on-ground CMP™ charter designation program, and nurturing the company's rapidly growing list of medical colleagues and financial services industry clients.

Professor Hetico recently completed successful consulting engagements as ACO clinical integration coordinator for Resurrection Health Care Preferred in Chicago; and as performance improvement manager for Emory University and Saint Joseph's Hospital in Atlanta. She is currently on assignment for Presence Health Partners, the largest Catholic health system in Illinois.

### **PROJECT MANAGER**

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Mackenzie H. Marcinko is a computer science, linguistics and business management intern from the University of Pittsburgh. Founded in 1787, the university is a healthcare informatics and technology pioneer, and one of the nation's most distinguished members of the Association of American Universities. It perennially ranks as one of the top public universities in total sponsored research funding and is among the top ten recipients of funding from the National Institutes of Health [NIH].

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## **ABOUT THE BOOK COVER**

A colorful vector-graphic silhouette depicting doctors, nurses and allied healthcare professionals seeking deep client-centered and collaborative financial advice from a fiduciary focused consultant or Certified Medical Planner™

## **FOREWORD**

The healthcare professional who wrongly believes that a generalist financial advisor or a one-size fits all approach to personal financial planning is adequate for their needs, must change this mindset immediately and read this comprehensive textbook.

Why? An industry sea-change of technology, transparency and specialization is upon us and COMPREHENSIVE FINANCIAL PLANNING STRATEGIES FOR DOCTORS AND ADVISORS [Best Practices from Leading Consultants and Certified Medical Planners™] is important enough to lead the way! There is no other comprehensive book like it to help doctors, nurses and other medical providers accumulate and preserve the wealth their years of education and hard work have earned them.

For example, the increasing complexities of the Patient Protection and Affordable Care Act's delivery system with its' emerging and global Accountable Care Organization [ACO] reimbursement models; along with new tax laws and investing vehicles; risk management, compliance legalities and cyber-technology; and revised retirement, asset protection and estate planning issues of the "new economic normal" all mandate that standard advice for the masses - promoted by the sales orientated financial services industry purveyors of the past - be severely challenged by modern physicians and financial advisors.

In fact, all healthcare professionals and their financial advisors need to focus on our specific industry, and use this resource to understand the integrated principles of contemporary financial planning. And, they should be merged with the specific economic life cycle needs of medical providers. Indeed, this unique book created - *by doctors and for doctors* - helps colleagues and their advisors understand why they are so different, and why they require a new array of thought-leading techniques and strategies to achieve personal goals and objectives.

The text is a masterful collection of academic and peer-reviewed research and writing, with real-world experiences, case studies and models with references; all blended with traditional and innovative information specific to the business of healthcare. It serves as a fiduciary's guide to help doctors develop a comprehensive financial plan that focuses on their unique needs. It is indeed transformative. Some even call it the next-generation of financial planning for health professionals - version 2.0 - because it assists them create a legacy, after a life of service, in order to *pay-it-forward*.

As an internist, and now a wealth management specialist for more than a decade - who is

also married to an orthodontist - my informed opinion is to read COMPREHENSIVE FINANCIAL PLANNING STRATEGIES FOR DOCTORS AND ADVISORS [Best Practices from Leading Consultants and Certified Medical Planners™] to become educated, then enlightened, and finally fiscally stable over time.

In summary, congratulations to the editor and team who produced this revolutionary textbook. I highly recommend it. “Read it and financially Reap”

**Jason Dyken; MD MBA CWS®**

Certified Wealth Strategist®

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## **PREFACE**

In my twenty years of medical practice, and 15 years as a financial advisor, I observed that physicians are particularly disadvantaged when it comes to anything regarding finance. Most doctors and healthcare providers have enough on their mind practicing their specialty and keeping up with technology, compliance and practice trends; that planning for their financial future is often forgotten. Financial planning and good investment practices require a solid background of how companies work in the “real world”, and an awareness of how they function within the economy. These economic essentials are vital to understanding business, as are the principles like budgeting, risk management, cash flow analysis, fiscal benchmarking and rudimentary accounting that are presented in this book. Yet, physicians have economic concerns that are different than most people.

- First, they enter the workforce about a decade later than their non-medical contemporaries, leaving fewer productive years and beginning with enormous medical school debt levels.
- Second, they tend to marry and have children later in life, often postponing their offspring’s educational funding and their own retirement planning.
- Third, family members often erroneously think of them as affluent, seeking their financial assistance.
- Fourth, health reform and managed care has reduced remuneration just as governmental scrutiny has burdened practices with costly IT, privacy rules and PP-ACA regulations.
- Fifth, a three decades long bull market in bonds and equities is over and if the current “new-normal” prevails - meaning a 4.5% real annualized rate of return on equities and a 1.5% real rate on bonds - wealth accumulation for all will be reduced going forward.
- Sixth, physicians lack financial management expertise, especially after changes in the tax code, electronic connectivity initiatives, various new practice risks, healthcare reform and the PP-ACA, etc.

Accordingly, informed advice from a medically focused advisor, or Certified Medical

Planner™, is vital. And, construction of a comprehensive financial plan, with an Investment Policy Statement [IPS], that acknowledges the impact of health reform and the PP-ACA is now almost an essential requirement for success.

Traditionally, a well-conceived financial plan consisted of tax reduction planning, various insurance matters, investing, and portfolio management, retirement and estate planning. For modern physicians of the Health 2.0 Era however, these disciplines, and many more, must be incorporated into the mix in a managerially and psychologically sound manner not counterproductive to individual components of the plan. As a sobering caveat, the integration of these protean disciplines is no longer an academic luxury, but a pragmatic survival imperative recognized by the contemporary Certified Medical Planner™ and corporate sponsors at the Institute of Medical Business Advisors, Inc. The following two examples are illustrative.

- Recall the sad tale of Dr. Debasis Kanjilal, the pediatrician from New York who, in 2000, put more than \$500,000 into the dot.com company, InfoSpace, upon the advice of Merrill Lynch's star analyst Henry Bloget. Is it any wonder that when the company crashed, the analyst was sued, banned for life from the securities industry, and Merrill settled out of court? As a matter of public record, other analysts, such as Mary Meeker of Morgan Stanley, Dean Witter and Jack Grubman from Salomon Smith Barney / Citigroup, were involved in similar debacles. Would passage of Senate bill HR 1000, also known as the Pension Security Act (PSA) creating the category of *Fiduciary Advisor* for qualified participants such as those with 401(k) plans, have prevented this mischief by adding stockbrokers to ERISA's list of prudent experts?
- Now, reflect a moment on medical colleagues willing to securitize their practices a few years later, and cash out to Wall Street servitude for riches not rightly deserved. Where are firms such as MedPartners, Phycor, FPA, Coastal Healthcare, and a host of others, now? A recent survey of the Cain Brothers Physician Practice Management Corporation Index of publicly traded PPMCs revealed a market capital loss of more than 99%, since inception. Would niche educated and physician-focused financial advisors [The Certified Medical Planner™ professional designation did not yet exist] have been able to avoid this calamity?

Want more proof this book is sorely needed? Just remember the sub-prime mortgage crisis of 2008, recognized and acted upon almost exclusively by contributor Michael Burry MD. And, don't forget the financial impact of the Patient Protection and Affordable Care Act [PP-ACA] that is finally rolling out thru 2016; it is both pervasive and invasive to virtually all Americans and medical providers, with detractors and advocates on both sides.

Of course, financial planning and personal economics is always challenging because chaos is the constant element of life. It is even more so for physicians, who face the reality that medical care is becoming a commodity in the United States. Even the late Dr.

C. Everett Koop MD opined that although Americans have no constitutional right to health care, the perception of one is so strong that the country is likely to have a socialized system sometime in the near future. With our national agenda dominated by terrorism, the threat of biological and chemical warfare, bioengineering and the ethical concerns of human cloning, electronic medical records, mobile health and ICD-10, technological advancements, para-professional practitioners and health network hacking and cyber-insecurity, it is unlikely that significant governmental financial assistance to physicians will take place anytime soon. In fact, many opine that over the next few years, reimbursement rates set by the Center for Medicare and Medicaid Services (CMS) could further erode by another 15-20% after full implementation of the PP-ACA.

Individual provider and personal circumstances also change as the domestic healthcare milieu is in constant flux. Comprehensive financial planning for medical professionals is truly a journey and not a destiny. Progress toward personal and practice goals are the objective; not some composite index, annualized rate of return, or stock price.

Therefore, for physicians and health professionals to survive, economic and financial competency is required in the new order. Hopefully, the requisite material to begin the task has been codified for them, and their advisors, in COMPREHENSIVE FINANCIAL PLANNING STRATEGIES FOR DOCTORS AND ADVISORS [Best Practices from Leading Consultants and Certified Medical Planners™].

And so, if there is some financial issue not specifically addressed in this book, fear not! The sub-niche topic you seek will likely be covered in a future iMBA Inc textbook or online at the Medical Executive-Post [[www.MedicalExecutivePost.com](http://www.MedicalExecutivePost.com)]. Join our more than seven hundred fifty thousand readers and subscribers, today. A subscription is fast, free and secure.

**Dr. David Edward Marcinko MBA CMP™**  
[Certified Medical Planner™]  
Editor-in-Chief

## **INTRODUCTION FOR CONDENSED READING AND REVIEW**

COMPREHENSIVE FINANCIAL PLANNING STRATEGIES FOR DOCTORS AND ADVISORS [Best Practices from Leading Consultants and Certified Medical Planners™] is written in prose form, with a value proposition that is solely for medical professionals and their financial advisors. Uniquely, it is written by-and-for doctors, and those financial advisors with intimate knowledge of the healthcare industrial complex. We use non-technical jargon, without the need to document every statement with a citation from the literature. This allows a large amount of information to be condensed into a single and practical volume. It also allows the reader to comprehend an important concept in a single reading session, with a deliberate effort to include current information. The interested reader is then able to research selected topics. Overlap of material is reduced, but important concepts are reviewed for increased understanding.

The textbook itself is divided into four life-cycle Sections, with 24 logically progressive yet stand-alone chapters, by 24 contributing experts integrated by our editorial staff.

SECTION ONE commences with the seldom discussed topic of behavioral finance and economics, integrated with holistic and life cycle financial planning, as the physiologic and psychological divide is professionally examined by a physician, psychiatrist-securities analyst, and psychologists for the benefit of financial advisors. Chapter 2 gives an overview of physician job recruitment and employee retention, while Chapter 3 reviews student debt, medical education costs and dwindling-to-flat health worker compensation. Chapter 4 is on the economics of fringe benefit plans for employed doctors and medical professionals, including stock options if a public healthcare entity or hospital. Chapter 5 is on fundamental micro-economic topics and money management principals followed by personal financial benchmarks and budgeting for young medical professionals. Chapter 6 concludes with a review of financial statements for a proto-typical medical practice with cash flow analysis that is basic to both profitable operations and investing.

SECTION TWO begins with Chapter 7 on insurance strategies for doctors, their possessions and practices; and seamlessly flows into Chapter 8 on modern medical risk management issues of current import; well beyond malpractice liability. Chapter 9 and Chapter 10 are conjoined in that the personal tax reduction strategies outlined in the former, are carried over into medical office practice accounting strategies, in the later. Chapter 11 reviews investment products, concepts and vehicles from the perspective of Modern Portfolio Theory (MPF), the Capital Asset Pricing Model (CAP-M) and the Arbitrage Pricing Theory (APT). Chapter 12 concludes by reviewing the complexities of protective trusts and more complex asset protection planning for physicians.

SECTION THREE gives a rare insider's look at investment banking and the actual Wall Street order and trading process, including an insider's look at the murky world of High Frequency Trading (HFT)] in Chapter 13. Chapter 14 and 15 then explore the covert world of hedge funds, and related market neutral funds; respectively. Chapter 16 discusses commercial real-estate as an asset class; while Chapter 17 explores the emerging concept of the independent medical practice as another distinct portfolio class for physician-owners. The section concludes with both traditional and new concepts of the retirement planning life-cycle specifically for healthcare professionals in Chapter 18.

SECTION FOUR starts with Chapter 19's discussion on professional portfolio construction, followed by Chapter 20 on investment policy statement construction (IPS) for individual physicians, and major hospital endowment funds. Chapter 21 contemplates the emotional and financial implications of divorce and other special lifestyle situations. Chapter 22 reports on the legal and contracting needs for medical practice sales and succession planning. Chapter 23 reviews modern estate planning strategies, and previews the "ethical-will" concept first imagined by physicians and just now being noted by financial advisors. Chapter 24 rightly concludes the book with a discussion on choosing the financial consultant that is the best fit for the medical practice environment and modern healthcare provider. It offers a unique emphasis on industry obfuscation practices, fees, commissions and automated processes; as well as thoughts on credentials, training, licensure and education.

Regardless of background, readers of all types should use this book in the following way. First, read the Front Matter. Browse through the Table of Contents and entire book *in-toto*. Next, slowly read chapters that are of specific interest to your professional efforts, or life-cycle stage. Then, extrapolate portions that can be implemented as pertinent strategies helpful to your own personal situation or professional advisory setting. Finally, use the book as an actionable reference for review; and return to it time and again... and stay current with our related interactive blog forum: [www.MedicalExecutivePost.com](http://www.MedicalExecutivePost.com) ... to learn and enjoy!

In conclusion, as you read, study and reflect on this challenging new-era textbook, remember the guiding philosophy of Eric Hoffer: *“In a time of drastic change; it is the learners who will inherit the future. The learned find themselves equipped to live in a world that no long exists”*.

**Hope Rachel Hetico**

Managing Editor

**Mackenzie Hope Marcinko**

Project Manager

**ABOUT THE INSTITUTE OF MEDICAL BUSINESS ADVISORS, INC**

iMBA Inc is a leading physician executive, medical practice, hospital and healthcare institutional educator, economics and medical valuation consulting firm, and focused provider of textbooks, CD-ROMs, handbooks, templates, tools, dictionaries and on-site and distance learning for the health administration, financial management and health policy space. iMBA Inc leverages opportunity, seeks change and helps clients to maximize revenue and increase profits. Projects are completed under Non-Disclosure or Non-Circumvention Agreements. We protect the confidentiality of clients, their projects, our recommendations and their future ongoing plans.

Recently, iMBA Inc released two major organizational textbooks under the CRC Press [Productivity Press] imprimatur:

- *“Hospitals and Healthcare Organizations”* [Management Strategies, Operational Techniques, Tools, Templates and Case Studies] 2013
- *“Financial Management Strategies for Hospitals and Healthcare Organizations”* [Tools, Techniques, Checklists and Case Studies] 2014

So, this text represents the next iMBA initiative into the personal financial planning niche space for physicians and all medical professionals. By integrating the above, iMBA Inc. provides an online asynchronous teaching platform for financial advisors, healthcare accountants, management consultants and adult-learners seeking the professional charter and certification designation known as: Certified Medical Planner™

The firm also serves as a national resource center and referral alliance providing financial

stability and managerial peace-of-mind to struggling physician clients. As competition increases, iMBA Inc is positioned to meet the collaborative needs of medical colleagues and institutional clients; today and well into the disruptive medical and financial services sector and future participatory ecosystem.

**iMBA Inc., Corporate Communication Subsidiaries:**

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## **ACKNOWLEDGEMENTS**

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[Best Practices from Leading Consultants and Certified Medical Planners™]

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#### **Chapter 1:**

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David Edward Marcinko

Hope Rachel Hetico

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## **EPILOGUE**

In his dictionary, Webster defines the word visionary as, “one who is able to see into the future”. Unlike some pundits, prescience is not a quality we claim to possess. To the purveyors of economic gloom and doom however, the financial future for physicians is a bleak *fait accompli*. If you were of this same philosophical ilk prior to reading this book, we hope that you now realize the bulk of financial planning and advisory activity may take place at the physician-executive level, as doctors take back their rightful place as maestro of their own ME Inc, symphony.

For this self advisory migration to occur, MDs and FAs will need to consider the example of our contributing authors to re-engineer their personal financial situations and practices with the tools of the new millennium. Hopefully, COMPREHENSIVE FINANCIAL PLANNING STRATEGIES FOR DOCTORS AND ADVISORS [Best Practices from Leading Consultants and Certified Medical Planners™] will prove useful in this regard; and serve as a valuable resource for all involved in this often chaotic ecosystem of provider and advisor.

Do not be complacent, for as onerous as it seems, we may not survive autonomously as a profession without utilizing this sort of information, because the bar to a new level of financial planning acumen has been raised. Although, many will still need professional advice on an as needed basis, some believe that astute physicians will look back on 2016 and recognize it as the turning point in the current financial planning imbroglio as the

growing sea-change becomes transparent to all concerned..

Therefore, please realize that our contributing authors face the same financial planning issues as you. And, although the multi-degreed experts of this book may have a particular expertise, all financial advisors should never lose sight of the fact that, *above all else*, advice should be delivered in an informed manner; with client interest, rather than self-interest, as a guiding standard.

*Omnia pro medicus-clientis*; or "all for the doctor-client"

Fraternally,

**David Edward Marcinko**  
**Hope Rachel Hetico**  
**Mackenzie Hope Marcinko**  
**Ann Marie Miller**  
**Contributing Authors**

**THE END**