

# **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™**  
[Editor-in-Chief]

**By Professor Hope Rachel Hetico; RN, MHA, CMP™**  
[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**

#### **Mackenzie Hope Marcinko**

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].

### **EXECUTIVE-DIRECTOR**

#### **Ann Marie Miller; RN, MHA**

For the Institute of Medical Business Advisors Inc., and the Certified Medical Planner™ online professional education and certification designation program, Norcross, GA.

### **ACADEMIC DEAN AND PROVOST**

#### **Eugene Schmuckler; PhD, M.Ed, MBA, CTS**

Consulting Psychologist for the Institute of Medical Business Advisors, Inc and the Certified Medical Planner™ online professional education and certification designation program, Norcross, GA

### **NORTH AMERICAN AMBASSADOR**

#### **Rachel Pentin-Maki; RN, MHA**

Former Intensive Care Unit [ICU] and Telemetry Unit [TU] manager, nursing school instructor, and Finnish Rest Home BOD member, Lantana, FLA

### **INTERNATIONAL AMBASSADOR**

#### **Keung Chi [Kenneth] Yeung; MBA, CMP™**

Hospital administrator and financial consultant for the Tseung Kwan O Hospital, Hong Kong, who speaks English, Cantonese, Mandarin and Chinese



## **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®

[Dyken Wealth Strategies]

Gulf Shores, Alabama

## **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 Hetic**

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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**David Edward Marcinko**  
**Hope Rachel Hetico**

**Institute of Medical Business**  
**Advisors, Inc— Corporate**



**Mackenzie Hope Marcinko**  
**Ann Marie Miller**



**Headquarters**

Peachtree Plantation – West  
Suite # 5901 Wilbanks Drive  
Norcross, Georgia, USA 30092-1141  
770.448.0769 (phone)  
Email: [MarcinkoAdvisors@msn.com](mailto:MarcinkoAdvisors@msn.com)  
Email: [AdviceForDoctors@Outlook.com](mailto:AdviceForDoctors@Outlook.com)  
Internet: [www.MedicalExecutivePost.com](http://www.MedicalExecutivePost.com)

**CONTRIBUTING AUTHORS**

**DR. DENNIS BETHEL**

**Bethel Investment Group**

**Web:** <http://www.bethelinvestmentgroup.com>

**Web:** <http://www.nesteggrx.com>

**Email:** [Dennis@nesteggrx.com](mailto:Dennis@nesteggrx.com)

Dr. Dennis Bethel received his medical degree from the University of Minnesota. He worked for many years as a full-time emergency medicine physician but the increasing administrative burdens of medicine spurred his real estate investment career. With nearly a decade of multifamily real estate experience, Dr. Bethel now focuses on large commercial multifamily acquisitions across multiple markets. The purpose of his educational website is to help medical professionals become knowledgeable of this asset class [[www.nesteggrx.com](http://www.nesteggrx.com)]. Today, he believes physicians should consider income producing multifamily real estate and diversify a portion of their investment portfolio outside the volatile world of the stock market.

**DR. GARY L. BODE; CPA, MSA, CMP™ [Hon]**

**President - Gary L. Bode MSA CPA PC**

**2999 Singletree Court**

**Leland, NC 28451**

**Phone: (910) 399-2705**

**Web:** [www.GaryBodeCPA.com](http://www.GaryBodeCPA.com)

**Email:** [info@garybodecpa.com](mailto:info@garybodecpa.com)

Dr. Gary L. Bode was the Chief Financial Officer [CFO] for a private mental healthcare facility, and previously the Chief Executive Officer [CEO] of *Comprehensive Practice Accounting, Inc.* in Wilmington, NC. The firm specialized in providing tax solution to medical and dental professionals. Dr. Bode was a board certified practitioner and managing partner of a multi-office medical group practice for a decade before earning his Master's of Science degree in Accounting [MSA] from the University of North Carolina. He is a nationally known forensic health accountant, financial author, educator and speaker. Areas of expertise include producing customized managerial accounting reports, practice appraisals and valuations, restructurings and innovative financial accounting, as well as proactive tax positioning and tax return preparation for healthcare facilities. Currently, Dr. Bode is Chief Accounting and Valuation Officer (CAVO) for the Institute

of Medical Business Advisors, Inc and Chief Executive Officer and Founder of Gary Bode MSA CPA, PC. He presents at medical associations throughout the country, with numerous book chapters in texts like “The Business of Medical Practice”, “Hospitals and Healthcare Organizations”, and the “Financial Management Strategies for Hospitals and Healthcare Organizations” by the Institute of Medical Business Advisors, Inc.

**DR. MICHAEL BURRY**

**Retired-Founder - Scion Capital Group  
20400 Stevens Creek Boulevard  
Suite 840  
Cupertino, CA 95014**

Dr. Michael Burry is a hedge fund manager and physician who founded Scion Capital LLC which he ran from 2000 until 2008. Dr. Burry was one of the first investors in the world to recognize and invest in the impending sub-prime mortgage crisis. Author Michael Lewis profiled him in his 2010 book *The Big Short: Inside the Doomsday Machine*, and he was featured in Gergory Zuckerman’s 2009 book *The Greatest Trade Ever: How John Paulson Bet Against The Markets and Made \$20 Billion*. Dr. Burry attended UCLA for his undergraduate degree, graduated from Vanderbilt School of Medicine, and did his residency in Neurology Stanford Hospital. He quit the medical profession in 2000 and started Scion Capital, which would eventually make millions for investors by investing in undervalued stocks, and then betting heavily against subprime mortgages in advance of the 2008 financial crisis. In an April 3, 2010, op-ed for the *New York Times*, Burry argued that anyone who studied the financial markets carefully in 2003, 2004, and 2005 could have recognized the growing risk in the subprime markets. He faulted federal regulators for failing to listen to warnings from outside a closed circle of advisors. He has presented at medical associations throughout the country and authored text book chapters for the iMBA, Inc. As of 2015 he was still managing his own investments.

**GARY A. COOK; EJD, MSFS, CLU®, RHU, ChFC, CFP®, CMP™ [Hon]  
Internet Pipeline, Inc.  
5454 Jaclyn Lane  
Bethlehem PA 18017**

Dr. Gary A. Cook received a degree in mathematics from the Indiana University of Pennsylvania and his Master of Science degree, in financial services, from the American College in Bryn Mawr PA, as well as Chartered Life Underwriter® and Registered Health Underwriter. As an accredited Estate Planner, he taught courses in that discipline, as well as insurance, business and finance planning; and is past president of the Chester Country Estate Planning Council. He received his Executive Juris Doctorate from Concord Law School of Kaplan University and is a professional author, sought after public speaker and television guest for the Insurance Broadcast System, Inc. He is also a member of the Society of Financial Service Professionals, the Financial Planning Association, and the Association for Advanced Life Underwriting. Formerly, Dr. Cook was an assistant Vice President, advanced market support, for AIG Life Insurance

Companies (USA). He was also Content Manager for COSS Development Corporation. Today, he is Product Manager and Advanced Sales Specialist for Internet Pipeline, Inc of Charlotte, NC. Dr. Cook has presented at financial and medical associations throughout the region, and has contributed several book chapters for the Institute of Medical Business Advisors, Inc.

**DR. JEFFREY S. COONS; PhD, CFA®**

**Manning & Napier Advisors, Inc.**

**1100 Chase Square**

**Rochester, New York 14604**

**Phone: (585) 325-6880**

**Fax: (585) 325-9085**

Dr. Jeffrey S. Coons is the Co-Director of Research at Manning & Napier Advisors, Inc. with primary responsibilities focusing on the measurement and management of portfolio risk and return relative to client objectives. This includes providing analysis across every aspect of the investment process, from objectives setting and asset allocation to on-going monitoring of portfolio risk and return. Dr. Coons is also member of the Investment Policy Group, which establishes and monitors secular investment trends, macroeconomic overviews, and the investment disciplines of the firm. Dr. Coons holds a doctoral degree in economics from Temple University, graduated with distinction from the University of Rochester with a B.A. in Economics, holds the designation of Chartered Financial Analyst, and is one of the employee-owners of Manning and Napier.

**PERRY D'ALESSIO; CPA**

**D'Alessio Tocci & Pell LLP**

**Certified Public Accountants and Business Advisors**

**20 West 36th St. 10th Floor**

**New York, New York City 10018**

**Phone: (212) 244-6166**

**Fax: (212) 695-2951**

**Web: [www.DaleCPA.com](http://www.DaleCPA.com)**

**Email: [www.dalecpa.com](http://www.dalecpa.com)**

Perry D'Alessio has twenty years' experience in public accounting. He specializes in the taxation of closely held businesses and their owners, as well as high wealth individuals. He has a broad range of experience that includes individual, corporate, partnership, fiduciary, estate, and gift taxation. Business development has also been a focus. Particularly in the Healthcare and Fitness Industry, he worked with successful entities whose emphasis was on growth through development of strategic relationships and unit building. Mr. D'Alessio received his Bachelor of Business Administration degree in Accounting from Baruch College. He is a Certified Public Accountant in New York. He is a member of the American Institute of Certified Public Accountants (AICPA), the New York State Society of Certified Public Accountants (NYSSCPA). He served on several New York State Society tax committees including: PCAOB and HealthCare. Mr. D'Alessio presents at financial and medical associations throughout the region, and

authored a book chapter in the “Financial Management Strategies for Hospitals and Healthcare Organizations” for the Institute of Medical Business Advisors, Inc.

**DR. CHARLES F. FENTON III; FACFAS, JD CMP™ [Hon]**

**Law Offices: Suite # 101  
1145 Cockrell Court  
Kennesaw, Georgia, 30152-4760  
Phone: (404) 233-4350  
Fax: (404) 231-0853**

Dr. Charles F. Fenton is a board certified surgeon from Temple University, who received his law degree as class valedictorian from Georgia State University, and practices in Atlanta, Georgia. His clients include physicians involved in audits and recoupment actions, as well as disputes with insurance or managed care companies. He is a contributing author to many books on healthcare law and medical practice, as well as many other medico-legal publications for physicians and the Bar. Currently, he is Chief Legal Officer for the *Institute* of Medical Business Advisors, Inc.

**LAWRENCE E. HOWES; MBA, CFP®, CMP™ [Hon]**

**Sharkey, Howes and Javer, Inc  
720 S. Colorado Blvd.  
Suite # 600 - South Tower  
Denver, CO 80246-1919  
Phone: (303) 639-5100  
Fax: (303) 759-2335  
Web: [www.SHWJ.com](http://www.SHWJ.com)**

Lawrence E. Howes, a principal in Sharkey, Howes and Javer, Inc., in Denver, received his undergraduate degree in management, and an MBA from Regis University. He has served on the Institute of Certified Financial Planners national committee on Communication, Government Affairs and Education, and drafted the legislative application for the first Investment Advisory Law in the State of Colorado. Currently, he is on the State Department of Treasury Investment Advisory Committee, and the Securities Commissioner’s legislative subcommittee on financial planning and investment advisory regulation, for the same state. Mr. Howes writes for the Journal of Financial Planning, Financial Advisory Practice and Financial Planning magazine, among other consumer publications. He is a practice management consultant to investment advisory and legal firms, across the United States, and program leader for the Colorado and New Mexico Bar Associations.

**ANJU D. JESSANI; MBA, APM**

**Divorce with Dignity Mediation Services  
42 Main Street, 2nd Floor  
Clinton, NJ 08809  
Phone: (908) 303-0396**

**Web: [www.DWDMediation.org](http://www.DWDMediation.org)**

Anju D. Jessani is a divorce mediator and founder of the firm, Divorce with Dignity. She received her Association for Conflict Resolution education from the Center for Family and Divorce Mediation in New York, and her practical education through the Hudson County Court's Mediation Program, in New Jersey. Currently, she serves on the New Jersey Administrative Office of the Courts' Parenting Time Committee. She is an editor for *The Children's Advocate*, an Advanced Practitioner Member of the Association for Conflict Resolution and an Accredited Mediator by the New Jersey Association of Professional Mediators. Ms. Jessani contributes to numerous professional journals and media talk shows. She holds an MBA from The Wharton School and a BA from Rutgers University. Prior to founding Divorce with Dignity, she was a manager with Price Waterhouse, and a Vice President with J.P. Morgan.

**ALEXANDER M. KIMURA; MBA, CFP<sup>®</sup>, CMP [Hon], AIF<sup>®</sup>**  
**Argosy Wealth Management**  
**21250 Hawthorne Boulevard, Suite 560**  
**Torrance, CA 90503 USA**  
**Phone: (424) 212-4949**

Alexander M. Kimura graduated with honors from Harvard University. He received an MBA from the Anderson School of Management, at UCLA, and began his Wall Street career at Morgan Stanley, one of the nation's pre-eminent investment banking firms. He received specialized training from Renaissance Trust on charitable tax planning strategies and is an adjunct faculty member at UCLA, teaching an extension course on pensions and other retirement benefit plans. Mr. Kimura was also senior financial advisor for the Financial Network Investment Corporation.

**DR. BRADLEY KLONTZ; PsyD, CSAC, CFP<sup>®</sup>**  
**Financial Psychologist and Managing Partner**  
**OCCAM Asset Management, LLC**  
**P.O. Box 529**  
**Kapaa, HI 96746**  
**Web: [www.YourMentalWealth.com](http://www.YourMentalWealth.com)**  
**Email: [btklontz@aol.com](mailto:btklontz@aol.com)**

Dr. Bradley Klontz, is a financial psychologist [PsyD], Certified Substance Abuse Counselor [CSAC], and CERTIFIED FINANCIAL PLANNER™. He is an Associate Professor of Personal Financial Planning at Kansas State University, a Fellow of the American Psychological Association, and a Former President of the Hawaii Psychological Association. Dr. Klontz has co-authored four books on the psychology of money: *Mind Over Money* (Broadway Business, 2009), *Wired for Wealth* (HCI, 2008), *The Financial Wisdom of Ebenezer Scrooge* (HCI, 2005, 2008), and *Facilitating Financial Health: Tools for Financial Planners, Coaches, and Therapists* (NUCO, 2008).

His 5th book, *Financial Therapy: Theory, Research & Practice* was published in 2014. Dr. Klontz's work has been featured on ABC News' 20/20, Good Morning America, and in USA Today, The Wall Street Journal, New York Times, Washington Post, Los Angeles Times, Time, Kiplinger's, Money Magazine, NPR and many other media outlets and professional magazines and journals, including his *Mind Games: Your Client* column for *On Wall Street* magazine and his *Mind Over Money* blog for *Psychology Today*.

**DR. TED KLONTZ; PhD**  
**Financial Psychologist and Co-Founder**  
**Klontz Consulting Group**  
**P.O. Box 529**  
**Kapaa, HI 96746**  
**Web: [www.YourMentalWealth.com](http://www.YourMentalWealth.com)**  
**Email: [ted@klontzconsulting.com](mailto:ted@klontzconsulting.com)**

Dr. Ted Klontz, is co-founder of Your Mental Wealth and Klontz Consulting Group. With 40 years of counseling experience he is recognized as a pioneer in the emerging field of financial psychology specializing in specific behavioral change. Dr. Klontz has an extensive national private consulting practice; working with individuals, couples, families, businesses and organizations. As a financial psychologist [PsyD], he is an author of 6 books, a published researcher, professional speaker, trainer, workshop designer and facilitator and trouble-shooter. His corporate work is focused on assisting in strategic planning, productivity, succession and employee retention issues. His clients include/have included the U.S. Defense Department, financial professionals, collegiate and professional athletes, entertainers, high wealth/profile individuals and families. Dr. Klontz is well-known for the development and customized application of unique tools and techniques for helping change troublesome behaviors. He appears frequently in expert roles in local, national, and international media.

**DR. BRIAN J. KNABE; CFP®, CMP™**  
**Savant Capital Management**  
**190 Buckley Drive**  
**Rockford, IL 61107**  
**Phone: (815) 227.0300**  
**Fax: (815) 226.2195**  
**Web: [www.SavantCapital.com](http://www.SavantCapital.com)**  
**Email: [BKnabe@savantcapital.com](mailto:BKnabe@savantcapital.com)**

Dr. Brian J. Knabe is a financial advisor and a member of the Savant Capital Management advisory team. He routinely meets with clients, advisors, portfolio managers, and planners in order to develop comprehensive planning, investment, and tax strategies. Dr. Knabe is also a clinical assistant professor in the Department of Family Medicine with the University of Illinois. He is a member of the American Academy of Family Physicians, the Illinois State Medical Society, and the Catholic Medical Association. Dr. Knabe is a magna cum laude graduate of Marquette University with an honors degree in biomedical engineering. He earned his medical degree from the

University Illinois College of Medicine; and attended the University of Illinois for his family practice residency where he served as chief resident. Dr. Knabe is a Certified Medical Planner™, and a Certified Financial Planner® who earned a diploma in financial planning from Marquette University. Dr. Knabe often speaks to financial service and medical associations throughout the country. He has authored book chapters for the Institute of Medical Business Advisors, Inc.

**TIMOTHY J. McINTOSH; MBA, MPH, CFP®, CMP™ [Hon]**

**SIPCO - Strategic Investment Partners, LLC**

**1100 NE Loop 410, Suite 636**

**San Antonio, Texas 78209**

**Phone: (800) 805-5309**

**Web: [www.SIPLLC.com](http://www.SIPLLC.com)**

**Email: [tmcintosh@sipllc.com](mailto:tmcintosh@sipllc.com)**

Timothy J. McIntosh is Chief Investment Officer and founder of SIPCO. As chairman of the firm's investment committee, he oversees all aspects of major client accounts and serves as lead portfolio manager for the firm's equity and bond portfolios. Mr. McIntosh was a Professor of Finance at Eckerd College from 1998 to 2008. He is the author of *The Bear Market Survival Guide* and the *The Sector Strategist*. He is featured in publications like the *Wall Street Journal*, *New York Times*, *USA Today*, *Investment Advisor*, *Fortune*, *MD News*, *Tampa Doctor's Life*, and *The St. Petersburg Times*. He has been recognized as a Five Star Wealth Manager in Texas Monthly magazine; and continuously named as Medical Economics' "Best Financial Advisors for Physicians since 2004. And, he is a contributor to [SeekingAlpha.com](http://SeekingAlpha.com)., a premier website of investment opinion. Mr. McIntosh earned a Bachelor of Science Degree in Economics from Florida State University; Master of Business Administration (M.B.A) degree from the University of Sarasota; Master of Public Health Degree (M.P.H) from the University of South Florida and is a CERTIFIED FINANCIAL PLANNER® practitioner. His previous experience includes employment with Blue Cross/Blue Shield of Florida, Enterprise Leasing Company, and the United States Army Military Intelligence.

**J. CHRISTOPHER MILLER; JD**  
**Law Offices of J. Christopher Miller, PC**  
**11800 Amber Park Drive, Suite 130**  
**Alpharetta, Georgia 30009**  
**Phone: 678-746-2900**  
**Web: [www.NorthFultonWills.com](http://www.NorthFultonWills.com)**  
**Email: [cmiller@northfultonwills.com](mailto:cmiller@northfultonwills.com)**

Chris Miller is as an estate planning and business attorney in Alpharetta, Georgia. He frequently conducts seminars on the formation of limited liability companies and trusts addressing special needs issues. Chris received both his bachelor's degree and his Juris Doctor from Emory University. He was admitted to the State Bar of Georgia in 2000, and is a member of the Atlanta Bar Association's Section of Estate Planning and Probate.

**SHIKHA MITTRA; MBA, CFP®, CRPS®, CMFC®, AIF®**  
**President - Retire Smart Consulting LLC**  
**103 Carnegie Center**  
**Suite #300 A**  
**Princeton, NJ 08540**  
**Phone: (609) 955-3456**  
**Fax: (609) 520-8731**  
**Web: [www.RetireSmartConsulting.com](http://www.RetireSmartConsulting.com)**  
**Email: [info@retiresmartconsulting.com](mailto:info@retiresmartconsulting.com)**

Shikha Mitra has two decades industry experience working with physicians, dentists and top level executives in both public and private sector businesses and foundations; with several awards for her work. She was rated one of the top Financial Planners in the Country from 2006 – 2013. As a Certified Financial Planner®, she is also a Chartered Mutual Fund Counselor®, Chartered Retirement Plan Specialist® and Certified Cash Balance Consultant. Ms. Mitra is Adjunct Professor of Finance and Business, Rutgers University, New Brunswick, NJ; Regional Board Member of the National Association of Personal Financial Advisors NAPFA (2011-2013) Board of Trustees of Financial Planning Association of New Jersey Chapter (2008-2011), Advisory Board Member of the "Journal of Financial Planning" (2008-2009). *Medical Economics* listed her as a best financial advisor for doctors in 2012. Ms. Mitra is also an Accredited Investment Fiduciary® helping employers reduce their fiduciary liability by following global fiduciary standards of care in managing their retirement plans.

---

**THOMAS MULDOWNNEY; MSFS, ChFC®, CFP®, CLU®, CRC® AIF® CMP™**  
**Savant Capital Management**  
**Chairman of the Board and Principal**  
**190 Buckley Drive**  
**Rockford, IL 61107**



**Phone: (815) 227.0300**  
**Fax: (815) 226.2195**  
**Web: [www.SavantCapital.com](http://www.SavantCapital.com)**  
**Email: [tmuldowney@savantcapital.com](mailto:tmuldowney@savantcapital.com)**

Thomas A. Muldowney has 35 years experience in the banking, investment, insurance and financial services industries. He taught at Rock Valley and Sauk Valley Community Colleges and served as a contributing author for the "Elder Law Portfolio Series" published by the Law and Business Division of Wolters and Kluwer through Aspen Publishers. His topics included: "Financial Planning for the Elderly" and "Postmortem Estate Planning." Mr. Muldowney earned a Bachelor of Arts degree from Rockford College and a Masters Degree in Financial Services (MSFS) from the American College. He is a Chartered Life Underwriter® (CLU®), Chartered Financial Consultant® (ChFC®), Certified Retirement Counselor® (CRC®), Certified Financial Planner® (CFP®), Certified Medical Planner™ (CMP™) and an Accredited Investment Fiduciary® (AIF®). Mr. Muldowney is an active member of professional organizations like: the National Association of Personal Financial Advisors (NAPFA), the Financial Planning Association (FPA) and the Society of Financial Service Professionals (FSP). Since 2004, he has represented Savant on Medical Economics magazine's list of "Top 150 Best Financial Advisers for Doctors." He has presented at financial and medical associations and authored several publications for the Institute of Medical Business Advisors, Inc. Mr. Muldowney is also on the TD Ameritrade Advisory Panel and a board member of the Discovery Center Museum, Chair of the Finance Committee and board member for the St. Anthony Medical Center Foundation, chair of the Investment Committee and treasurer of the Boylan Education Foundation Board of Directors, and is on the Board of Trustees for Rockford College.

**DR. EUGENE SCHMUCKLER; PhD, M.Ed, MBA, CTS**  
**Institute of Medical Business Advisors, Inc**  
**Academic Dean and Consulting Psychologist**  
**Certified Medical Planner™ Online Education Program**  
**Suite # 5901 Wilbanks Drive**  
**Norcross, Georgia 30092**  
**Phone: (770) 448-0769**  
**Web: [www.CertifiedMedicalPlanner.org](http://www.CertifiedMedicalPlanner.org)**  
**Email: [MarcinkoAdvisors@msn.com](mailto:MarcinkoAdvisors@msn.com)**

Dr. Eugene Schmuckler was Coordinator of Behavioral Science at the Georgia Public Safety Training Center and a licensed psychologist. He is on the board of directors of the Association of Traumatic Stress Specialists and is a Certified Trauma Specialist. Dr. Schmuckler is an international speaker and author, with publications translated into Dutch and Russian. He is a consulting psychologist and Director of Behavioral Finance, for the Institute of Medical Business Advisors, Inc; and Academic Dean for the Certified Medical Planner™ online designation and professional certification program. He frequently writes for the Institute of Medical Business Advisors, Inc. Dr. Schmuckler received his MBA and PhD from the Louisiana State University.

**DR. KENNETH SHUBIN-STEIN; CFA®**  
**Spencer Capital Management, LLC**  
**10 East 53rd Street, 22nd Floor**  
**New York, NY 1002**  
**Phone: (212) 287-1569**  
**Fax: (212) 504-8172**  
**Web: [www.SpencerCapital.com](http://www.SpencerCapital.com)**

Dr. Kenneth Shubin Stein is the Founder and Portfolio Manager of Spencer Capital Management, and the Chairman of Spencer Capital Holdings. He is a former director of Public Prep and a former Director & Chairman of MRV Communications. Dr. Shubin Stein is an adjunct professor at the Columbia University Graduate School of Business co-teaching Advanced Investment Research with Cheryl Strauss Einhorn. Prior to joining Spencer Capital Management, Ken Shubin-Stein was a financial analyst at Promethean Capital Management in Manhattan, and co-founder of Compo Asset Management, LLC; a US based equity value investment partnership. Previously, he was a medical technology analyst for the Abernathy Group in New York, an investment management firm specializing in the medical and technology sectors. Dr. Shubin Stein completed his surgical internship at the Mount Sinai Medical Center in New York, and is a graduate of the Albert Einstein College of Medicine. His undergraduate degree, in dual concentrations, is from Columbia College. He is a Chartered Financial Analyst®. His charity foundation, Crutches-4-Kids [C4K] was co-founded in 2009 with his twin sister Beth Shubin Stein MD and Christopher Ahmad MD, who is Head Team Physician for the New York Yankees. In 2011, Crutches-4-Kids was officially honored at Yankee stadium by New York Yankees pitcher CC Sabathia and Starter for its extraordinary efforts providing crutches to impoverished and disabled children around the world.

**DR. DIMITRI SOGOLOFF; MBA**  
**President / CEO**  
**Horton Point LLC**  
**120 West 45Th Street 4th Floor**  
**New York, New York 10036**

Dr. Dimitri Sogoloff leads a seeding / incubation platform of emerging systematic managers trading liquid markets. The quantitative hedge fund seed capital, operational infrastructure, risk management, oversight, and product distribution capability (managed accounts, single manager funds and institutional platforms) to talented systematic traders with proven ability to generate uncorrelated alpha. Like other hedge fund seeders, Horton Point LLC looks to capitalize on the difficult fund-raising climate for those who invest in highly liquid securities via strategies that are uncorrelated to mainstream markets. Dr. Sokoloff graduated from Columbia University Medical School, Columbia University Business School with an MBA in finance, and a Bachelor of Science degree from the Columbia University – FU Foundation School of Engineering and Applied Science. Dr. Sogoloff is past Co-Founder and President of Alexandra Investment Management, LLC.

**STEPHEN WEATHERBY; CFP®**  
**Sharkey, Howes and Javer, Inc**  
**720 S. Colorado Blvd.**  
**Suite # 600 - South Tower**  
**Denver, CO 80246-1919**  
**Phone: (303) 639-5100**  
**Fax: (303) 759-2335**  
**Web: www.SHWJ.com**  
**Email: Stephen@shwj.com**

Stephen Weatherby joined Sharkey, Howes & Javer in 2012. Previously, he was a Personal Financial Counselor with Military Health Net providing financial education and counseling to the United States Military at various worldwide locations 2008-2012. He earned a Bachelor of Science degree from Texas Tech University in Family Financial Planning; a program consistently viewed as the nation's premier program of its kind. Mr. Weatherby has been a CERTIFIED FINANCIAL PLANNER™ professional since 2007.

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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**