EPISODE 4.1 | SEPTEMBER 21, 2023

50 YEARS IN PRIVATE & LOCUMS PRACTICE, BUSINESS VENTURES & MORE WITH DR. CHARLES MANDELL

David Mandell:

Hello, this is David Mandell, host of the podcast. Welcome to season four. I always say when I'm introducing the guest that we have a very special guest, but today is truly a very special guest. This is my father. He is, I think, around guest number 60, but number one in many ways.

Let me tell you about Dr. Charles Mandell, and then I will hand him the microphone. Dr. Mandell has a bachelor's degree from Brown University and a medical degree from Tufts University. He began his practice in 1972 at Rhode Island Hospital in Providence, Rhode Island.

He was chairman of the radiology department for many years at Charlton Memorial Hospital in Fall River, Massachusetts, and also served as an assistant clinical professor of radiation medicine at Brown University. He's been a serial entrepreneur in his career, starting multiple businesses in the fields of real estate, alternative energy, and telemedicine, and he's the co-founder of Umedex, Inc., a rapidly growing medical software, billing, and telemedicine firm. He continues to practice radiology part-time in his 51st year of practice, a milestone which only a tiny minority of physicians have achieved. So with that, Dad, welcome to the program.

Charles Mandell:

Thank you, David.

David Mandell:

Okay, so I know the answer to this first question, but all of my physicians, I try to ask this when they come on, which is where did you grow up? What made you become a physician? And then, what got you to focus in radiology?

Charles Mandell:

Well, as you know, the family is from Providence, Rhode Island, and that's where we all grew up. My dad was a general practitioner whose practice was in the house, and in fact, it was the house. It was not separate, so that we had patients there all the time, and when there were not patients in the house, my dad was making house calls. From a very early age, he would show me his savings book at the bank, saying, "This money is for medical school." So, even though I was a major in international politics in college and thought about going into law practice, in the back of my mind, I was going to become a physician, and in fact, that's what I did.

I became a radiologist because we had an outstanding woman who ran the radiology department at Tufts for decades, and I enjoyed the challenge of making a diagnosis. In those days, there really wasn't much in radiology except for plain film x-ray and nuclear medicine, which I specialized in a few years later. But I was fascinated with the issues of making an early diagnosis and research, both of which I did for a number of years.

David Mandell:

I know most of that story, and I'm sure you've seen radiology change a ton over the years, but since this focus of this podcast is more on finance and business and entrepreneurship, that's what we're going to talk about over the next 20 minutes or so. As you were going through medical training really in the '60s and early '70s, what was your interest or exposure to the financial side? Meaning, was this something that you were interested in, the finance or the business of medicine, or were you just focusing on the clinical aspect on it? I know, obviously, and we're going to talk about, you eventually did spread your wings as an entrepreneur, but I didn't know if you had those inclinations while you were in training or that came later.

Charles Mandell:

That definitely came later. I was interested in academic radiology research, and I had a NIH research fellowship, which allowed me to not only pursue my clinical work, but spend a year or two in day-to-day research. Money was never a big part of this,

and I never had much money, nor did I ever think about making money in medicine. In fact, when I took my first job, the chief of the department at Rhode Island Hospital was a friend of a friend, and I asked how much I would be earning, because I wanted to buy a house, and he put his arm around me in a fatherly way and say, "Charlie, don't worry, it'll be enough." And until I got my first check, I really didn't know how much I would be paid.

David Mandell:

That's an interesting story. I'm not sure I agree with the thinking behind it, and certainly, as those who've listened to this podcast know, not only is OJM dedicated to helping physicians make good financial decisions, but another business that will be covered in another podcast later coming up here in season four with two orthopedic surgeons who have both been on before, I'm part of a startup that's helping physicians get to the opposite of that, which is get a better understanding when they take a job of what that's going to be. Because today is a different world, as you know, and when people go in and they don't understand the financials of what they're getting into, they become dissatisfied with that job, and there's a lot of turnover.

Now, you ended up moving and going down the road to Fall River and becoming a chairman there, and so you did move also probably not for the same reasons, but I think that's one part of the old days of Golden Age of Medicine, which I think is probably best not to repeat today, which is just sort of trusting the employer, not knowing what you're going to get paid. So, let's talk about when you did go to Fall River, and you were there for, I mean, a number of decades, and you were the chief of the practice there, et cetera, running a department with a bunch of partners and a bunch of employees and really running a business. What did you learn from that experience? What did you take away from that?

Charles Mandell:

Well, when I first went to the job, I was quite young. There were two other docs there the same age, and they sort of gave me the practice to run it as I wished. But from my experience, I realized that it was a group practice, and we became partners,

although I remained the chief for about a decade. I learned two things. One, I really believe in the concept of group practice and not that one person should own it, but I've seen both of those types of practices between my work in New England and my work in Florida, and I do believe that partnership is the best situation for most doctors. I think they feel better about it, and I think there's less resentment.

But one thing I did learn is since I handled all the billing and we went on separate billing, which for radiologists was a new thing in the mid-'70s, is that the opportunity to make money depends upon really understanding the business you're in, what the reimbursement is based upon, what insurance kinds of coverage you can expect to receive. And a lot of it has very little to do with your skills or the growth of the practice itself if the economics outside the practice are fixed.

David Mandell:

Yeah, that makes sense. And I think physicians today are much more aware, I think, of reimbursements and payers, and they often have professional managers, depending on how large the practice is, but you still see folks who can improve. We had some speakers on this podcast actually affirm in season two, I believe, their job is to come in and look at a payer mix and see and negotiate for practices and try to get them more for what they're getting, and they come in and do an evaluation. So, if you haven't heard that episode, I think that's season two. Take a listen to that, because they're a firm that's in the business of evaluating a payer mix and seeing if they can negotiate better contracts.

As we referenced a little bit in your bio, in that first phase of practice when you're in New England, and I was growing up, and you had the family, et cetera, you were involved with a bunch of entrepreneurial activities from rental real estate, which I know well since I was painting some of those buildings, a real estate development project in Boston, alternative energy, which included solar and a hydroelectric dam if I remember properly, and others. Tell us about those businesses and what did you learn from them? Which ones did well? Which ones are maybe more forgettable? Just give us a little bit of the lay of the land on that part of your life.

Charles Mandell:

Well, alternative energy was an interest of mine because of family relatives who were active in the business, but the timing of that was not very good. That was the '70s and '80s. It was really experimental, and while I didn't lose much money, I certainly didn't make any money in those fields. As far as real estate went, I had quite a few section eight houses, which meant these were low-income where the government paid half the rent and half the rent came from the clients. A lot of them had been patients of my dad's. That turned out to be a reasonably good investment, because the government was picking up part of the cost. But there is intensive management, as you know, because you got involved in some of that, and it is a bit tricky, but we all know that long-term real estate can be a wonderful investment.

I also was involved in building condominiums in Boston and Newport, Rhode Island, and I learned from a construction point of view how difficult the market can be when you have variable interest construction loans and you're under the control of the federal government in terms of pricing, which has happened this year, of course, to a lot of people. So, I learned that there are a lot of variables that I would not know from a medical practice, which is fairly straightforward and fairly fixed, so I got burnt more than I made money. Some were profitable. Fortunately, I was able to read films every day, and that paid for most of your education and all the expenses we had.

David Mandell:

Yeah, timing was certainly an issue, right? Because if you have a variable loan on a project, and again, this is perfect timing for this, and hopefully we have folks listening who aren't getting burned too badly, but if they had a variable loan on a real estate project, it sounded pretty good 18 months ago, and that loan might've gone from 3%, 4% to 8%, 9%. I think clients are a little more sophisticated about it these days, or they are pricing that in to see, "Okay, what if the rate goes up? Will I still be able to make money?"

But this doesn't mean we dissuade people at OJM from having rental real estate or real estate in general. In fact, we bring a lot of private deals to clients, but the situations where I've seen physicians get in the most trouble is real estate, where

they're signing personal guarantees on large deals, and then for one reason or another, those don't work out the way they were expected, and now they're on the hook for these large loans. So, like anything, there's risk and reward, and you had some ups and some downs. No one hits a thousand percent, so that's not surprising. In those years, who was your key advisor? Meaning, who was your key financial person telling you, "Charlie, yeah, you should do that deal, or maybe you shouldn't do that deal," or was nobody telling you that? You were just sort of doing it on your own?

Charles Mandell:

Well, I would say the latter. There was nobody telling me I should do it was the most likely thing. In those days, banks were willing to give you money if you were a physician and you had a high income. They were basically standing at the door with wads of cash and saying, "Just sign here, everything's fine." Fortunately, I didn't get into too many of those deals, but there were a few, and they created problems, because I was depending upon the bankers and my CPA to say, "This is reasonable." And the CPA didn't often feel their role was to tell me what to do or what not to do, and the banks just wanted to loan you money in those days, so they were not on my side. It took me a bit of a few years to figure out that the bankers were not my friends. I finally learned that lesson, but it was a painful lesson.

David Mandell:

That's right. I think for good or bad, I think banks are not as free with money, certainly after 2008, than they used to be. And physicians, while they are still... They may have physician loan programs for mortgages, they're not as free, so they're saying no more often. Back in your day, they probably never said no, and if you didn't have an advisor telling you no, then it was just my mother probably, and that probably only worked about half the time. We still have clients at OJM bringing us transactions that they may get involved in.

Especially when it comes to real estate, we really can't opine from will this project be good or not, because real estate is all location, and it's all specific. But we can look at it, and our folks do, and say, "This seems a little out of whack," or, "Do you realize what

you're getting into here? Do you understand what this capital call possibility means?" Meaning it means, "Yeah, you put this money in now, but you might have to put in a bunch of more money in the future, and you're not in control of that." So, we do sometimes play the role, I wouldn't say of the naysayer, but as somebody who they can bounce some ideas off of.

Now, we've been talking so far about kind of phase one of your career. Very interestingly, and I think what a lot of the docs listening to this may be even more interested in is how you've been able to have a second phase of your career that's been rewarding, which involved a move out of New England down to South Florida where we are today. As those of you who listen to this know, my brother's also a physician down here, so we all are transplanted New Englanders, which is very nice.

But you came down here, you left that group practice, and started to get licenses not just in Florida, but in many states and doing locums work in Florida and throughout the country. That became a whole new career and kind of lifestyle for you for a number of decades now. So, what interested in you doing that? What did you like about it? What didn't you like about it over the years? And what advice would you give to docs listening to this who might say, "I'd like to give up my main practice and travel a bit and get licenses and do it"? Obviously, radiology really lends itself to that, because you can kind of plug and play, but I think docs of any specialty might be interested in your experience there.

Charles Mandell:

Well, the first thing I would say is your wife must be... Or spouse, male or female spouse, has to be going along with the program, because you're traveling quite a bit. I was very lucky in that I was able to travel every other week, and sometimes, I worked every other week at a local office, but often, I was just off those weeks. And over 20 years, I was able to maintain that schedule fairly regularly, so I got to see my family. My wife came with me quite a bit, and we looked at it as a combination of work and vacation, because as you know, locums organizations pay for your travel, they pay for your housing. They don't pay for food, but basically everything else is covered. So more, there's an involvement of your spouse or your family, and they're

behind this idea, then I think it works well. If they're not behind it a hundred percent, it can be an issue.

I loved it, because I was burnt out of 25 years in a hospital. Hospitals change, politics change, as we all know. The problems I encountered early on was that I was not aware of the options I had in terms of asserting where I wanted to stay, what kinds of jobs I wanted to take, what were my options in terms of money per day. That varied quite a bit over the years based upon supply and demand. And most importantly, I realized I had to keep my mouth shut when I went to these hospitals. Having been chief of a 400-bed hospital, I thought I knew how to run a radiology department. Well, it turns out when you're locums, they often don't want your opinion and resent it. So, it took me about a year to keep my mouth shut and just do what I was supposed to do.

Over the years, the only thing I noticed that changed in radiology was we were less and less exposed to other radiologists in these jobs and more sitting by ourselves with a computer and doing the work that was intended to do. The social part of it diminished. The interaction with other docs diminished, but the excitement of travel and being in new places, working in hospitals from 50 to 800 beds, that persisted and was still exciting, and I only stopped because COVID became so prevalent in the hospitals I was working that my sons and my wife and myself also said, "This is too risky. I can't do it anymore."

David Mandell:

That's right. Even today, I mean, literally today, we're recording this in the early afternoon, you went to work today, so you have now a local place where you can come and do your work, and you kind of make your schedule, so you've got a pretty good situation even without the travel, just locally.

Charles Mandell:

Yes. That had to do with supply and demand, obviously. I started this job a few years ago on a part-time basis when I was still traveling, and then when I stopped traveling, I was fortunate that they still needed my services and were willing to take them on a half-day basis. But of course, that is definitely supply and demand. Right

now, there's a shortage of radiologists. Most of my friends have retired years ago. There aren't many of us at age 80 still working.

So, if you're in a specialty or even as a general practitioner where there's a big demand, then perhaps you can work it out to your advantage, but there's really not a lot of control on that except for the market as a whole. One thing I would say, however, is if you're going to go into locums, start with the biggest companies with the longest track record. Not only will they perhaps have the most access to the jobs, but they've been through the wars. They know where the problems are with various clients. They know what you are interested in, and I think you can trust them to learn a lot more about the job you're getting than you can with some of the smaller companies that have just jumped on the bandwagon recently.

David Mandell:

Yeah, that's good for people to know, because you're trusting them, and you're taking these jobs kind of sight unseen, so you need somebody who's... Obviously, they get paid if the deal happens, but you want some kind of trust in that relationship, so maybe that's an important consideration. Now, while you've been doing the locums for the last 15 years or so, you've also been an entrepreneur doing first, really, a teleradiology company that's kind of morphed into a medical software company. How did that come about? And tell us a little bit about what the company does and why you're excited about its future.

Charles Mandell:

Well, it started because I was working at a hospital in Massachusetts that was a relatively small hospital, and telemedicine was just beginning. I had been doing a little bit of it myself at my old hospital, setting up a video conference arrangement with the hospital so I didn't have to drive half an hour to go look at some films every night. And so, I was familiar with the technology, which was quite primitive at the time.

At one of the hospitals I was working at, they told me that they would like to have teleradiology at night, and they were going to contract with Mass General, which had

just started to develop that service. And I said, "Well, what is Mass General charging you?" And they told me, and I said, "Well, I'll charge you 20% less." And they knew me. I had worked there a while, and they said, "Okay, you've got the contract." Then I got another contract, and then another contract. I only worked nights and weekends, but it's when I moved down to Florida, so it worked out pretty well for me. We don't have time for all the stories of doing teleradiology from cruise ships, from Vegas, from all sorts of small towns across the South.

David Mandell:

You did once have an SUV that had basically a DirecTV dish on top.

Charles Mandell:

It was a dish.

David Mandell:

On top of an SUV.

Charles Mandell:

Yes. In those days, you could not get information in terms of visual information, that is films or charts, on your cell phone. Cell phones were a new thing, and the bandwidth was quite small, so I had a satellite dish that was similar to those used by TV crews, and there was one satellite over Central America that broadcast. And wherever I was, I aimed my dish in the middle of the night or middle of the afternoon, whenever I was taking call and I wasn't home, towards that satellite, and I was able to download images. Not the numbers that we get today, but enough to make a diagnosis. It was fun, and everybody stopped me and said, "What television station are you from?" But really, it was just downloading x-rays.

David Mandell:

So, you started with that hospital in Massachusetts and you realized there was a market for this, that these smaller hospitals wanted some coverage at night. They

couldn't hire a radiologist, because that's too expensive, and there was a service, and now obviously, there've been public companies that have kind of come out of that need. Your business still does some of that, but it also has morphed into software and billing, and so tell us about how that business has changed and where it's going, where you see it going in the future.

Charles Mandell:

We started the business in 2005. My partner has a background as an MBA and as an accountant. And I decided that I did not want to go into the hospital coverage business. While it was profitable, and a number of companies became very large doing it, it was also very stressful. And we were a small company of just a few people, so we focused on the nursing home business and the people who cover nursing homes, the portable companies that go out with x-ray machines and ultrasound machines, and we developed the software for them to run their businesses off our software. We changed the paradigm in reading for nursing homes, which used to be a 12- to 24-hour turnaround time to one hour. Also, we put software in all the nursing homes, and we have about 5,000 of them, that allow the nurses and the doctors to see the x-rays virtually as soon as they are done. They get the reports within an hour or less, and the films are there for them to look at.

So, we became a software company as well as a reading company. In the last few years, because of Medicare cutbacks, we realized that we cannot make much money in that business, even though it's fairly substantial, and we're now starting to cover hospitals again, but this time with our eyes wide open and with a unique program where we do double reading on all our x-rays, and that has reduced the error rate and improved the accuracy rate. The finances are tricky, but we've managed to work out a system that seems to work, and right now, if I could find radiologists who want to semi-retire and work with me, please call me, because we have unlimited work for people who want to work with this kind of double-read system.

David Mandell:

That's right. So, for any of you radiologists listening or folks listening who have a friend or a family member who's a radiologist and want to do some part-time work, these guys are growing and hiring and interested to chat with you. Now, as we mentioned in the bio, you've been in practice for 50 years, and I tried to look for a stat online to see what percentage of physicians make it that long, and my instinct is it's less than 1%, but I couldn't find anything like that, but it's certainly pretty rare. Some of the docs listening may say, "Hey, I hope that's me." Many may say, "I hope that's not me." But today, you still work. I mean, in the mornings, six days a week. You worked this morning. So, why do you do it? What do you like about it? And what advice would you give to physicians who might aspire to continue to do that?

Charles Mandell:

At the beginning, I really enjoyed the management side of radiology, running a hospital department, being involved with hospital growth, and it took me a long time to return to the idea of the basics of medicine, that is, the disease process, the individual patient. And as you know, radiologists are sort of behind the scenes. We don't really see patients, but we do see the disease in each patient every day, and I came to appreciate the basics of medicine, how disease presents itself differently, and how every day, I may not see anything that I've never seen before, but the presentation of the way I find it is different. So, it's kept my brain very active. I found out that even if the body's failing a bit, the brain can continue to work quite well without a great deal of energy expenditure. And it also, of course, keeps my ego up as a doctor. I'm still practicing. I still feel that I'm a physician. I still feel good about myself.

The other thing is I've noticed that many of my friends who retired to golf or retired to tennis, but that physically was demanding, and some no longer can do that, and it's left their life kind of empty. I'm fortunate that I still have an intellectual interest in my work, and that does not depend upon, for the most part, my physical being. So, I would recommend that if you're contemplating retirement, do it gradually if possible. If possible, hold on to the knowledge base you have. We are losing in this country a lot of older physician with decades of knowledge, and even if we're replacing them

with younger physicians, decades of knowledge is still important, and if you're able to hold on to part of your practice or another practice that allows you to work part-time, I think it makes for a very rewarding life and a long life.

David Mandell:

Yeah, I think that that's certainly something that I'm seeing with older clients. And certainly, knowing some of your friends and family members, and I think the data is starting to come in that people who maintain productivity, people who maintain a sense of purpose, who are using their brains, have a more enjoyable and longer retirement, and that those who really have nothing to do other than play golf... And there's nothing wrong with golf. I enjoy playing it myself, but like you said, at some point, physically, you may not be able to do it. Then what are you getting up for in the morning?

So, I think that's very good advice for everybody to hear, and hopefully there'll be some docs listening to this who are nodding their head and saying, "That's the place I want to go, and I want to use my experience and not just turn it off one day for good." And I think many people are realizing that the word retirement can be a scale from literally not doing any work of any type to continue to work full-time and something in between. So, any parting thoughts? Last thoughts before we wrap that you might give to the docs listening this who are, I probably would venture, all of them are younger than you?

Charles Mandell:

Everyone I meet's younger than me these days. I think when you're in a profession, you have to take the long view of things. It's really difficult when you're young and paying for expenses with a family and buying a house and buying a car to not focus on your productivity, but as you get a little bit older, you want to also focus on the fact that you would like a long life in your profession, and you don't want to physically burn yourself out or mentally burn yourself out. The incidence of depression today in doctors is at an all-time high. I have seen the respect for physicians diminish over my 50 years. I've certainly seen the pressure on physicians increase, and our role in

the medical community is diminished in many, many instances. So, I think you have to take a long look at where you are in that continuum and say, "Where do I want to be in the next 20 years, and how can I gradually move into a balance of my life and my work that I can live with for many decades?" Then, I think you'll have a happy career.

David Mandell:

That's great. Really appreciate, Dad. I think this was something that all the docs, I think even those starting out, all the way through in retirement or those coming close to it will get something out of this. So, thank you for being on. I appreciate it.

Charles Mandell:

My pleasure.

David Mandell:

And to all of you, thank you for listening. As we begin season four, I'm going to be a little bit more professional as a podcast host and ask you to give me a five-star review. I haven't done that before, but we have 30 or 40 of those already, so organically, we've got those, but I've been told by my marketing people I should ask for five-star reviews, so if you can, and you feel so inclined, please do that, as well as tell your friends and colleagues and follow us. I guess that's another thing you should do, is follow us, not just listen to random episodes, but actually follow us in whatever app you're using. And if you're a physician who's listening to this, and you have some interesting story or some things you think might be of interest from a financial or entrepreneur or career point of view, reach out to me. We are recording in season four, and I'm always looking for new guests. So, with that, thank you very much for listening, and of course, we'll have another episode in the next two weeks.