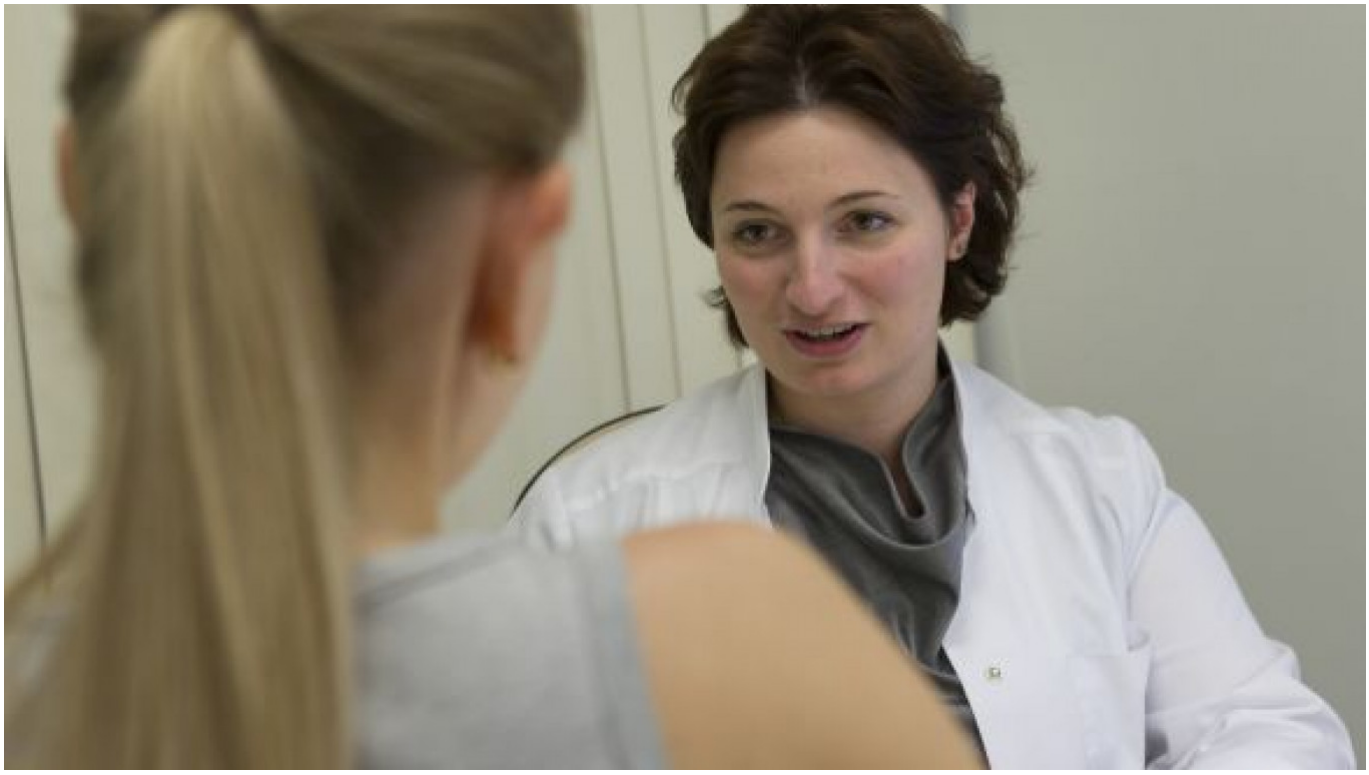
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Q&A: Discipline Brings Healthy Success to MDMG Head

By Yekaterina Kravtsova

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Yelena Mladova wants to do real, useful work and has risen quickly to head MDMG's chain of private clinics. **Igor Tabakov**

As any woman and some men know, giving birth is a traumatic experience.

Which is why patients checking into one of MD Medical Group's 14 clinics for prenatal care or to actually give birth appreciate the sense of order and calm that pervades.

Much of this is due to the management style of the company's chief executive, Yelena Mladova, who has led Russia's largest private medical provider for the last three years through a major expansion. Her attention to detail and organizational skills clearly gave the firm an edge in valuation during its successful IPO last year.

Despite her youth and mild manner, Mladova, 33, demands discipline and focus from herself and from her employees.

She dreamed of becoming a doctor since high school but seems never to have thought of running a business until she came to a Mother and Child clinic in 2008.

Yelena Mladova

Education

Moscow State University, Department of Medicine, 2003

Work experience

2003-2007 — obstetrician-gynecologist, Center of Family Planning and Reproduction
2008-2012 — head of IVF department, Perinatal Medical Center, MDMG
2012-present — CEO, MDMG

Favorite book: "A Country Doctor's Notebook" (1963) by Mikhail Bulgakov

Reading now: "The Rose of the World" (1991) by Daniel Andreyev

Movie pick: "Office Romance" (1977) Directed by Eldar Ryazanov

Favorite Moscow restaurant: "Trattoria Venezia," 3 Strastnoi Bulvar

Weekend getaway destination: St. Petersburg

Arriving to head the clinic's assisted reproductive treatment department, within two years she was appointed chief executive of the company, MD Medical Group.

"I wanted to do real work that would be useful to people," Mladova said, sitting in her office in the Perinatal Medical Center on Moscow's Sevastopolsky Prospekt that was MDMG's first clinic and the first private maternity clinic in the country. Founded in 2006 by Mark Kurtser, head obstetrician-gynecologist of Moscow's health care department, the company now has 12 such clinics in Russia, as well as two hospitals and two clinics in the Ukraine.

Kurtser is famous for educating young professionals and building successful teams of doctors. Mother and Child clinics, which offer a wide range of medical services and are equipped with the latest medical technology, are an opportunity for aspiring doctors to develop their professional skills.

Last year, MDMG became Russia's first medical company to conduct an IPO on the London Stock Exchange, floating 35 percent of its shares. Raising more than $300, the company threw

the proceeds into a development drive worth $900 million, funding the construction of a new hospital in Ufa, a city of one million people to the west of the Ural Mountains.

Mladova became interested in obstetrics and gynecology while studying at the Faculty of Fundamental Medicine at Moscow State University. Upon graduation, she was invited to residency training at a clinic under the supervision of Kurtser.

"I liked the atmosphere in gynecology departments and maternity clinics. It was so different from other departments that I decided to become an obstetrician-gynecologist," she said.

But though she has been drawn into management, Mladova told The Moscow Times in an interview that she still believes doctoring is the best profession.

"People often ask me if I would like my child to become a doctor. I would like it very much," Mladova said. "I respect this profession — to be a good doctor is the greatest achievement."

This interview has been edited for length and clarity.

Q: What was the transition from doctor to businesswoman like?

A: Private medicine is developing fast. MDMG is growing at a rate of about 40 percent per year. So it is not just me that is changing, but the whole management. We have constant arrivals of new people and new processes. Moreover, the competitive environment is changing, forcing us to increase the quality of treatment. It is impossible to turn from a doctor into a businesswoman in one moment and then freeze in this state. The process is continuous.

Q: Is it difficult to combine medicine and business?

A: It is almost impossible. I mostly do business now, and the number of patients I deal with is tiny. But I think it is vital for a medical company to be headed by a doctor — someone who understands medicine inside out. The business carries huge reputational risks, which is why we must think of it not only as a business but also thoroughly know medicine.

Q: Does medical education in Russia meets the sector's requirements?

A: In the Soviet era, medical schools were very good, and the equipment in Russian hospitals could compete with Western technology. But after the collapse of the Soviet Union, medical development stalled and fell behind Europe and the U.S. The authorities understand this, and are investing in hospital equipment. But that is not enough, as the equipment will not work without a doctor. Private companies are willing to put resources into both training and technological development, and this is welcomed by the state.

While Europe probably has a higher level of medical education than Russia, the borders are now open for health workers. Those doctors who want to study can participate in internships and exchange programs abroad. Medical knowledge has also become digital — any ambitious doctor has access to it.

Private clinics do not have a problem with quality of staff. Doctors want to work with the latest equipment, because it allows them to use their skills to the utmost and treat every patient individually. When we announced we would build a hospital in Ufa, the backlog

of applicants was so great that doctors from that city came to me in Moscow to ask for jobs.

Q: Does your approach toward running clinics outside Moscow differ from that in Moscow's clinics?

A: We have had only positive experience in the regions. In Moscow, competition in hospitals and for outpatient services is much higher. The number of private outpatient clinics is huge. There are about 30 clinics offering assisted reproductive technology, as well as commercial divisions within public-sector Moscow maternity clinics. Currently, outside the capital, private hospitals can be found only in St. Petersburg and Novosibirsk. Outpatient clinics are more widespread, but nowhere near Moscow levels, and very few of them offer assisted reproductive technology.

People outside Moscow are keen to see good clinics where they live. If they had access to high-quality private care, then instead of giving their money to Russian Railways or Aeroflot to get to Moscow or St. Petersburg, they would spend it on treatment in their home city, stay with their family, and not be distracted from work.

Q: What keeps you up at night?

A: There are two things that always worry me. The first is our reputation and the quality of our work because we work with people. If anything bad happens to a patient inside our walls, our patients will not trust us anymore. The second is our investors. MDMG is a public company, and we have to be fully open to the market. Our business must be predictable, consistent. We must meet the expectations of our investors, grow and be successful.

Q: Does Russian medical culture differ from foreign medical culture?

A: Both as a student and as a professional, I have seen only positive medical culture in Russia. I studied in different universities and worked in Moscow's huge Sklifosovsky Hospital and an ordinary public hospital. I have never seen negligence or rudeness from doctors. Medical ethics is important in Russian hospitals.

There is a difference in treatment approaches in Russia and Europe because patients are different. Russian people want doctors to talk to them. In Europe, I think, people are more reticent with doctors, and consequently the doctors' approach is different.

Q: Why do some Russians travel abroad for treatment?

A: Unfortunately, trust in Russian medicine is falling. Healthcare infrastructure is obsolete, particularly outside Moscow where there is often no necessary equipment, and a doctor cannot cure illness with only words of encouragement.

When a person comes to a hospital and sees that six patients are kept in one ward, he is bound to think that the level of medical care is low, even if the doctors are very good. People want peace of mind. So they go abroad.

Another problem is the lack of unified standards in health care. This means that doctors in different healthcare institution can proscribe different medicines to a person the same health problem. What does that do for credibility?

People come to us when they need urgent care, while for a planned surgery they prefer to go abroad. It is our aim to regain lost trust.

In reproductive medicine, less women are going abroad to deliver children. This is because flying might be risky and it is difficult to come back with a one- or two-month-old child. But, that said, at the entrance to our hospital someone has put up a "Childbirth In Miami" advertisement.

Q: The quality of prenatal care in Russia has improved in recent years. Why hasn't this happened with cancer treatment?

A: It is much more expensive. In order to treat cancer, a hospital needs a large radiotherapy center, and special tomographs. I know of only two such tomographs in Moscow.

Oncology departments require very expensive, high-tech treatment. It is therefore difficult to provide exclusively within the private medical sector. It is almost impossible to put all the expenses on a patient because the number of patients able to afford it is miniscule.

Most of those who go abroad to treat cancer pay for the care themselves, but I think the number of such people is minimal. We have started to do cancer treatment too. In our Lapino Hospital in Moscow we treat lacteal glands and large intestine cancer, but cancer treatment in the wider sense is a whole separate world.

Q: Why did you decide to expand the range of medical services in your clinics and transform them into wide-profile medical institutions?

A: Women who delivered children in our clinic used to ask us what clinic would we recommend to treat their husbands. So we decided to be not only a center for mothers and children but for the whole family and to open additional centers.

Only in Russia are maternity clinics, child health centers and outpatient facilities located in different places. In the U.S. and Europe, all of these are clumped together in one hospital. Saying that, maternity clinics in Russia are now being combined with large hospitals, so the structure of health care is changing.

We have doctors — specialists in a range of fields — to give referrals even within our prenatal medical centers. We want to keep our patients and realized that opening new divisions would push the development of our business further. And the demand for this is huge.

Q: What is the current state of relations between the private and public sectors in medicine, and what relation should they have to one another?

A: The state should invest money in capital-intensive spheres such as oncology. Public hospitals should offer no commercial services. In private clinics, prices will be higher because they have to buy everything using their own money, but they will offer more comfortable conditions. This type of division would allow private companies to develop more easily because they would not be in direct competition with public hospitals.

Of course, it is difficult to create good private hospitals offering high-tech treatment because of the huge investment required, but I think the state is interested developing them. We see

state support support in the zero percent income tax introduced in 2011, and the government is ready to discuss how to make private medicine affordable for people with different levels of income.

For example, noticing the rapid pace of development in the private sector, the state is setting up a public-private partnership program that allows private companies to take concessions in public hospitals, re-equip them, and do business within their walls, under the proviso that 40 percent of its services are provided on the basis of state-provided health insurance.

While this demonstrates the government's interest, the details remain unclear, and we are not sure that participation would be profitable. The problem is that the mandatory health insurance rates are too low. For example, public insurance pays out a maximum of only 12,000 rubles for care rendered during childbirth. When these amounts become market-based, we will start accepting patients.

Q: What advice can you give to people wishing to get involved in medical business in Russia?

A: You must create a great team of doctors, as without doctors there would be no business.

Q: What inspires you?

A: I have the greatest respect for our doctors, and I see how passionately our management team works. These two groups are completely distinct from one another — besides me, there are no doctors in management. I am inspired by the partnership between them.

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