THE COST FOR STUDENTS AND THE IMPLICATIONS FOR MEDICAL PRACTICE*

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I am a fourth year medical student at Cornell University Medical College, and I have been an active member of the Student Financial Aid Committee for all four years. I come from a middle income, working class background, and I have relied on financial aid to finance my medical education. In addition, as an undergraduate at Amherst College in Massachusetts, I received financial aid to meet expenses during my four years there. When applying to medical school in 1978, I knew that I would have to rely on financial aid once again, and at the time, I must admit, I took financial aid for granted. Tuition at Cornell Medical College was only $6,500 yearly and federal student aid programs were readily available at reasonable interest rates. Four years later, medical school tuition at Cornell has almost doubled to $11,250 yearly, and within the last 12 months the federal government has proposed exclusion of medical students from the Guaranteed Student Loan Program, imposed restrictions on eligibility for the Guaranteed Student Loan Program, proposed cuts in the federal loan guarantees for the Health Education Assistance Loan Program to less than half its current level,[1] and proposed tightening rules on the collection of Health Professions Student Loans, which would, according to the Association of American Medical Colleges, "have the effect of virtually terminating the Health Professions Student Loan at most [medical] schools."[2]

I must say that as I applied for aid in April 1982 for this my last year in medical school, as a result of all the uncertainty concerning the federal student aid programs, I was quite unsure how I would ultimately finance the upcoming academic year.

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How exactly have medical students contributed toward financing their medical education? Ways medical students have helped to meet the challenge of high cost medical education include utilization of student assets and earnings, student borrowing, student fund raising, and heightened student awareness and political action.

Student assets and earnings have traditionally been considered in a financial aid package, and, in the case of a married student, the spouse's assets and earnings are tapped as well. In addition to parental income, a potential source of aid increasingly considered by medical students are the assets of other family members and distant relatives.

Senator Charles Percy (R-Ill.) once described medical students as "...rich debt-dodging doctors."[3] Let me assure you that medical students want to avoid the burden of heavy debt just as everyone else. On the other hand, we all know that borrowing at reasonable rates has been the cornerstone of financing a medical education for quite some time. According to the Association of American Medical Colleges, this year 41,000, or 72%, of all medical students have relied on the Guaranteed Student Loan. In my own case, my total debt upon graduation from Cornell will be $35,000. Students have traditionally borrowed heavily, utilizing the lower-interest programs: Guaranteed Student Loans (7-9% interest), National Direct Student Loans (3-5% interest), and Health Professions Student Loans (7-9% interest). Recently, however, with the ever-increasing cost of medical education, students have had to utilize higher-interest loan programs: The Auxiliary Loan To Assist Students (14% interest) and The Health Education Assistance Loan, with a floating interest rate equal to the treasury bill rate plus 3.5%. In the worst case, a medical student who borrows $20,000 a year at a fixed 18% rate under the Health Education Assistance Loan Program would owe $120,000 when he graduates. If he defers payment during three years of residency and a nine-month grace period, he would then owe $240,000. If he pays off the loan over the maximum allowable 25 years, he ends up paying out a whopping $1.2 million dollars.[1]

In addition to the federal student aid programs, many medical societies, philanthropic foundations, and corporations will lend money to medical students who meet specific criteria. Recently, many students have been borrowing from family members and relatives with a contractual agreement outlining the terms of the loan.

Students have recently begun to take a more active role in major fund-raising efforts at medical schools. Private sector grants to medical schools

often stipulate that matching funds must be obtained for medical schools to receive the grant. Students at Cornell University Medical College annually participate in alumni phonathons to solicit funds from Cornell graduates.

With the cost of medical education skyrocketing, more students than ever before are in need of financial aid. Through the increased awareness and political action of all students and physicians, students in need can be assured that federal loan programs will be accessible with reasonable interest rates and feasible repayment plans. Students must keep abreast of the latest legislative proposals concerning student aid on Capitol Hill and in their state legislatures. This task can be facilitated by a vigilant financial aid officer and an active student financial aid committee. Most important, we must inform our legislators of medical student concerns and needs because the day when financial aid could be taken for granted has gone the way of the $10. office visit. We're not likely to see either one ever again.

REFERENCES

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