

American Medical Student Association
House of Delegates 2012
Resolution: C-3

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| INTRODUCED BY: | Elizabeth Wiley, Vice President for Internal Affairs; Deb Hall, Health Care for All Campaign Co-Chair; Jerry Abraham, Health Care for All Campaign Member; Jim Curry, National Officer for Research Exchange; Megan Wolf, Wellness & Student Life Chair; John Brockman, Immediate Past President; Sonia Lazreg, Health Justice Fellow; Colin McCluney, Education & Advocacy Fellow; Lorenzo Sewanen, Wellness & Student Life Education Coordinator; Kristin Huntoon, Policy Chair; Matthew Stull, Graduate Trustee |
| SCHOOL: | George Washington University School of Medicine; University of Connecticut School of Medicine; University of Texas School of Medicine San Antonio (UTHSCSA); University of Iowa; University of Pittsburg School of Medicine; Case Western Reserve University School of Medicine; Mount Sinai School of Medicine; University of Washington School of Medicine; Trinity College; New York College of Osteopathic Medicine; University of Cincinnati College of Medicine |
| SUBJECT: | Principles Regarding Financing of Medical Education |
| TYPE: | Resolution of Principles |

1 WHEREAS the federally administered National Health Service Corps (NHSC) programs
2 have a track record of success in recruiting and retaining primary care physicians in the
3 most high need areas.

4

5 WHEREAS federally administered NHSC programs provide more generous scholarship
6 and loan repayment options on average for students and physicians compared to State
7 Loan Repayment Programs (SLRPs).

8

9 WHEREAS expansion of SLRPs should not come at the expense of federal NHSC
10 programs.

11

12 WHEREAS federal direct lending has been realized in 2011.

13

14 WHEREAS the current interest rate for GradPLUS loans is 7.9%.¹

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¹ US Dept of Education, Direct PLUS Loans for Graduate and Professional Degree Students (2012), <http://studentaid.ed.gov/PORTALSWebApp/students/english/PlusLoansGradProfstudents.jsp>

16 WHEREAS the elimination of subsidized Stafford loans for graduate students has a
17 disproportionate effect on medical students and will cost the average medical student an
18 additional \$32, 000 in interest.

19
20 WHEREAS high interest rate loans place undue financial burdens on medical trainees
21 and make medical education less accessible.

22
23 WHEREAS currently high interest GradPLUS loans are the last loan returned for
24 students who are forced to return loans ensuring that students are saddled with higher
25 interest loans despite eligibility for loans with more favorable terms.²

26
27 WHEREAS AMSA’s Principles on Physicians and the Armed Forces addresses AMSA’s
28 position with respect to discrimination and gender identity in the military.

29
30 WHEREAS the Federal Pell Grant Program provides need-based grants to enable
31 students to access higher education.

32
33 THEREFORE BE IT RESOLVED that the Principles Regarding Financing of Medical
34 Education be AMENDED as follows:

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37 PRINCIPLES REGARDING FINANCING OF MEDICAL EDUCATION

38

39 The American Medical Student Association:

40 1. RECOGNIZES that equitable access to medical education is essential to
41 guarantee diversity of the physician workforce. Medicine will not be able to provide for
42 the health needs of our complex society if it does not reflect society’s demographics.
43 (2006)

44

45 2. BELIEVES that equitable access to medical education requires consideration of
46 the pipeline to medical school and prioritization of equitable access to undergraduate
47 education in addition to providing college graduates with adequate financial aid and
48 **SUPPORTS the Federal Pell Grant Program** (2010)

49

50 3. FURTHER BELIEVES that access to higher education is a right and should only
51 depend on a student’s performance, not on her or his ability to pay tuition. (2006)

52

53 4. SUPPORTS increased financial education for medical students in order to better
54 prepare students to make more advantageous financial decisions, (2006)

55

56 5. In regard to “Aid-for-Service” Programs

57 a. SUPPORTS the National Health Services Corps (NHSC) and other loan
58 repayment and scholarship programs, such as the NIH Scholars program, (2006)

59 b. SUPPORTS an increase in NHSC funding to enable all qualified applicants to
60 join the Corps. (2010)

² Association of American Medical Colleges Fact Sheet (2011)

- 61 c. SUPPORTS the additional expansion of the NHSC to include medical specialties
62 outside of primary care that are also in shortage in underserved areas, insofar as such
63 expansion does not threaten the NHSC commitment to primary care, (2006)
- 64 d. SUPPORTS and ENCOURAGES the ~~creation of~~ **expansion of** other loan
65 repayment programs ~~to expand the reach of existing programs. These include a~~ including
66 the Global Health Services Corps ~~where students may receive loan repayments for~~
67 ~~providing service abroad, and state and municipal based loan repayment programs for~~
68 ~~needed physicians, (2006)~~
- 69 e. BELIEVES that “Aid-for-Service” programs not only increases access to medical
70 education, but also directly addresses issues of disparities in access to healthcare. (2006)
- 71 f. **SUPPORTS creation and expansion of state and local loan repayment**
72 **programs for primary care physicians but OPPOSES such expansion at the expense**
73 **of the federal NHSC program.**
- 74
- 75 6. In regard to loan repayment:
- 76
- 77 a. SUPPORTS the concept of an educational opportunity bank for medical students
78 where educational loans, interest and administrative costs can be repaid, once in practice,
79 on an income contingent basis;
- 80
- 81 b. SUPPORTS the deferment of payment on the principal and accrued interest of
82 educational loans incurred for premedical and medical education until the completion of
83 medical training, including internship and residency;
- 84
- 85 c. SUPPORTS the concept of availability of student loan consolidation, refinancing
86 and graduated repayment; (2004)
- 87
- 88 7. URGES that medical schools cooperate with the federal government to improve
89 collection practices on student loans;
- 90
- 91 8. In regard to loan source, amount, and development:
- 92 a. URGES that ceilings on federally issued loans must be sufficient to meet the
93 actual needs of students and their dependents, as determined by the financial aid officer at
94 each medical school;
- 95 b. URGES the continued support and development of low interest loan programs,
96 which offer students a fair and practical solution to the funding of medical education, and
97 further URGES ~~that high interest loan programs be revamped so that they, too, can~~
98 ~~provide reasonable sources of money~~ **interest rate reductions for high interest loans**
99 **including the federal GradPLUS program;** (2009)
- 100 c. ~~SUPPORTS federal direct lending programs for students. (1997)~~ **SUPPORTS**
101 **continued federal direct lending for students.**
- 102 d. URGES the federal government to allow in-school consolidation of student loans.
103 (2006)
- 104
- 105 9. CONDEMNS any use of a student’s military draft registration status as a criterion
106 in the eligibility for, or awarding of, financial aid.

- 107
108 10. SUPPORTS the continuation of the Department of Defense's Armed Forces
109 Health Professions Scholarship Program;
110
111 ~~11. ENCOURAGES the Department of Defense to eliminate discriminatory policies~~
112 ~~with regard to sexual orientation and gender identity as outlined in AMSA's Principles~~
113 ~~Regarding Physicians and the Armed Forces. (2009)~~
114
115 12. In regard to taxation:
116 a. SUPPORTS the tax deductibility of interest paid on student loans; (2005)
117 b. SUPPORTS legislation, which would make the cost of tuition, books and
118 essential educational materials tax deductible for students engaged in graduate and
119 professional education;
120 c. OPPOSES medical school tuition instituted by the government, local, state, or
121 otherwise imposed on medical students. (2011)
122
123 13. URGES that childcare expenses be included in the assessment of financial aid
124 needs for all medical students;
125
126 14. SUPPORTS the funding, by state governments, of a substantial portion of the
127 costs of private medical schools within their jurisdiction;
128
129 15. OPPOSES the acquisition or management of medical school teaching hospitals
130 and affiliate teaching hospitals by for-profit health-care corporations.
131
132 16. SUPPORTS the interest exemption on subsidized loans during the time period a
133 student is attending either undergraduate or graduate medical school. (1995)
134
135 17. In regard to the use of endowments:
136 a. CONDEMNS the use of research and medical endowment funds or its interest to
137 finance activities outside the endowment's original purposes when those purposes have
138 not been achieved; (1999)
139 b. SUPPORTS legislation that:
140 1. Restricts the use of interest income from endowments to fund activities outside
141 the medical institution; (1999)
142 2. Bans the use of interest income from research and scholarship endowments for
143 any activity outside of its original intent; (1999)
144 3. Makes institutions and individuals involved in such activities financially liable for
145 misappropriated funds. (1999)
146 18. CONDEMNS federal or state government cuts to programs aimed at increasing
147 access to medical education; (2006)
148
149 19. URGES the creation of State and Federal grant-based financial aid programs for
150 medical students. (2006)
151
152 20. SUPPORTS the concept of Area Health Education Centers.

153

154 21. In regard to tuition

155 a. SUPPORTS the concept that medical schools should guarantee a maximum level
156 of tuition to students prior to enrollment and provide their students with a justification
157 (including specific data) for all proposed tuition increases;

158 b. SUPPORTS the concept that medical schools have an obligation to assist all
159 enrolled students in meeting the increased financial burdens if tuition is increased;

160 c. STRONGLY URGES medical schools to disclose their financial reports such that
161 both medical students and applicants are informed of:

162 1. How funds are obtained through tuition and other revenue sources are used;
163 (1999)

164 2. The medical school's affiliation with hospitals and other for-profit and nonprofit
165 organizations that share financial obligations; (1999)

166 3. How to obtain their medical institution's annual report containing information on
167 the operating budgets and expenses of the institution. (1999)

168 d. STRONGLY URGES medical schools to promptly inform current and
169 matriculating students of any financial events involving the school, affiliated hospitals,
170 affiliation with hospitals and other for-profit and nonprofit organizations in which
171 financial obligations are shared that can substantially affect both a matriculating student's
172 decision to enter the medical school and the finances of current medical students; (1999)

173 e. URGES efforts by medical schools to prevent an increase in tuition caused by
174 reduced research reports and financial risks initiated by affiliation with hospitals and
175 other for-profit and nonprofit organizations in which financial obligations are shared.
176 (1999)

177 f. CONDEMNS the practice of retroactive tuition hikes; (2006)

178 g. SUPPORTS inclusion of tuition transparency into the LCME's accreditation
179 criteria of medical schools; (2006)

180

181 **22. CONDEMNS the elimination of the federal subsidized Stafford loan**
182 **program for graduate students and URGES the availability of subsidized loans for**
183 **undergraduate and medical students.**

184

185 **23. URGES the Department of Education to revise the student loan return order**
186 **such that higher interest rate loans are the first returned.**