

AMERICAN MEDICAL ASSOCIATION  
MEDICAL STUDENT SECTION

Resolution 11  
(I-10)

Introduced by: Anand Reddi and Andreas Thyssen, University of Colorado School of Medicine

Subject: Encouraging Innovative Initiatives Towards Alleviating Medical School Debt:  
Evaluation of the Strategic Alternative for Funding Education (SAFE) Proposal

Referred to: MSS Reference Committee  
(Jaimon Stucki, Chair)

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1 Whereas, Our AMA-MSS and AMA recognize that the increasing cost of medical school education and  
2 the decreasing availability of financial aid have resulted in high debt burdens for medical students; and  
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4 Whereas, Our AMA enacted policy D-305.988 (Strategies to Address Medical School Tuition Increases)  
5 that encourages the development of novel strategies towards medical education financing; and  
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7 Whereas, An *American Journal of Obstetrics & Gynecology* article by Weinstein and Wolf proposes a  
8 novel proposal to alleviate medical school debt entitled The Strategic Alternative for Funding Education  
9 (SAFE).<sup>1</sup> SAFE is “predicated on the fact that students who attend medical school will not be responsible  
10 for any tuition or fees during medical school, residency, or fellowship.”<sup>1</sup> The mechanism for repayment  
11 proposed by SAFE “is that each medical school graduate after completing residency/fellowship will  
12 return a fixed amount of his or her gross yearly compensation from medical practice to the medical school  
13 for a period of 10 years;”<sup>1</sup> therefore be it  
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15 RESOLVED, That our AMA conduct a study to assess the feasibility of the Strategic Alternative for  
16 Funding Education (SAFE) proposal as a mechanism to alleviate medical school debt; and be it further  
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18 RESOLVED, That our AMA sponsor a national request for proposals (RFP) aimed at recruiting  
19 additional innovative initiatives focused on alleviating medical student debt and support the best  
20 proposal(s), following feasibility studies, at the highest lobbying and legislative priority.

Fiscal note: TBD

Date received: 10/1/2010

**References:**

1. Weinstein L, Wolfe H. A unique solution to solve the pending medical school tuition crisis. *Am J Obstet Gynecol.* Jul 2010;203(1):19 e11-13.

**Relevant AMA and MSS Policy:**

**305.001MSS Medical Student Loan Program**

AMA-MSS will ask the AMA to: (1) ask state medical societies to develop and implement interest-subsidized guaranteed student loan programs via the private sector in order to maintain a choice of funding to students; and (2) recommend that state medical societies raise funds for such programs by physician contributions over a short, but definite term. (AMA Res 81, I-80, Adopted [H-305.996]) (Reaffirmed: MSS COLRP Rep B, I-95) (Reaffirmed: MSS Rep B, I-00) (Reaffirmed: MSS Rep E, I-05)

**305.003MSS Loan Forgiveness Program**

AMA-MSS will ask the AMA to support the development of realistic loan forgiveness programs as one means of effectively addressing the urgent financial needs of medical students. (AMA Res 84, I-81, Referred) (BOT Rep V, A-82, Referred) (Reaffirmed: MSS COLRP Rep B, I-95) (Reaffirmed: MSS Rep B, I-00) (Reaffirmed: MSS Res 3, I-05) (Reaffirmed: MSS Rep E, I-05)

**305.005MSS Debt Management**

AMA-MSS will ask the AMA to encourage medical school financial aid offices to educate medical students in medical debt management and provide financial and tax counseling, and to offer assistance to medical school financial aid offices in implementing these services. (AMA Res 148, A-81, Referred) (BOT Amended Rep JJ, I-81, Adopted in lieu of Res 148 [H-305.995]) (Reaffirmed: MSS COLRP Rep B, I-95) (Reaffirmed: MSS Rep B, I-00) (Reaffirmed: MSS Rep E, I-05)

**305.009MSS Defaulted Government Loans**

AMA-MSS will ask the AMA to: (1) urge increased efforts to collect overdue debts from the present medical student loan programs in a manner that would not interfere with the provision of future loan funds to medical students; and (2) encourage medical school financial aid officers to counsel individual medical student borrowers on the status of their indebtedness and payment schedules prior to their graduation. (AMA Res 79, A-82, Adopted [H-305.994]) (Reaffirmed: MSS COLRP Rep B, I-95) (Reaffirmed: MSS Rep B, I-00) (Reaffirmed: MSS Rep E, I-05)

**305.037MSS Medical School Tuition**

The AMA-MSS Governing Council will continue to work with AMA staff to ensure student concerns on indebtedness and medical school tuition are addressed in all health system reform legislation. (MSS Sub Res 27, I-93) (Reaffirmed: MSS Rep B, I-00) (Reaffirmed: MSS Rep E, I-05)

**305.052MSS Reduction in Student Loan Interest Rates**

(1) AMA-MSS will ask the AMA to actively lobby for legislation aimed at establishing an affordable student loan structure with a variable interest rate capped at no more than 6.8%.  
 (2) AMA-MSS will specifically encourage members to write letters to senators and representatives, especially those on the appropriate specific subcommittees, to support the re-visitation of the issue of how interest rates on student loans are determined and will provide a sample letter of support for this cause to AMA-MSS members so that members can simply sign and forward the letter to their respective governmental representatives. (MSS Late Res 1, A-03) (AMA Amended Res 316, A-03, Adopted [D-305.984]) (Reaffirmed: MSS Rep E, I-08)

**305.053MSS Expanding and Strengthening AMA Advocacy on Medical Student Debt**

(1) AMA-MSS will form a new coalition, to include at a minimum the members of the present Consortium of Medical Student Organizations, the medical student sections of specialty societies, and the National Association of Graduate-Professional Students, for the purpose of sharing information and coordinating lobbying activity on student debt; (2) AMA-MSS will join the National Association of Graduate-Professional Students as an Affiliate Member and convey to medical students the work that we have done and are doing through the Coalition for Student Loan Fairness. (3) AMA-MSS will ask the AMA to: (a) endorse and actively lobby for the following during the 2003-2004 Reauthorization of the Higher Education Act: (a) Elimination of the "single-holder" rule, (b) Continuation of the consolidation loan program and a consolidator's ability to lock in a fixed interest rate, (c) Expansion of the deferment period for loan repayment to cover the entire duration of residency and fellowship (d) Broadening of the definition of economic hardship as used to determine eligibility for student loan deferment (e) Retention of the option of loan forbearance for residents who are ineligible for student loan deferment (f) Inclusion of dependent care expenses in the definition of "cost of attendance" (4) AMA-MSS will ask the AMA to lobby for passage of legislation that would: (a) Eliminate the cap on the student loan interest deduction, (b) Increase the income limits for taking the interest deduction, (c) Include room and board expenses in the definition of tax-exempt scholarship income, (d) Make permanent the education tax incentives that our AMA successfully lobbied for as part of Economic Growth and Tax Relief Reconciliation Act of 2001 (5) AMA-MSS will ask the AMA to explore membership in the American Council on Education and/or the Committee for Education Financing, in order to build our ties to the higher education community and report back by A-04 and more aggressively publicize existing work done through the Coalition for Student Loan Fairness. (6) That our AMA study and Rep Back at the 2004 Interim Meeting on potential new sources of Graduate Medical Education funding and ways to increase resident salaries; feasible strategies for creating new and/or expanded loan programs specifically for the health professions and on the need for non-primary-care physicians in underserved areas, with a focus on showing how the National Health

Service Corps and similar loan repayment programs could feasibly be expanded to cover specialties beyond primary care. (7) AMA-MSS will ask the AMA to study the feasibility of earmarking federal funds to undergraduate medical education for the purpose of reducing medical school tuition at public and private universities and on appropriate methods for calculating the value of the clinical work performed by medical students and taking such calculations into account when determining the cost of educating a medical student, with report back at A-05. (8) AMA-MSS will ask the AMA to support and encourage our state medical societies to support further expansion of state loan repayment programs, and in particular expansion of those programs to cover physicians in non-primary-care specialties. (9) AMA-MSS will ask the AMA to urge our state medical societies to actively solicit funds (either directly or through their Foundations) for the establishment and expansion of medical student scholarships, and that our AMA develop a set of guidelines and suggestions to assist states in carrying out such initiatives. (10) AMA-MSS will ask the AMA to oppose the charging of broad and ill-defined student fees by medical schools, such as but not limited to professional fees, encouraging in their place fees that are earmarked for specific and well-defined purposes. (11) AMA-MSS will ask the AMA to encourage medical schools to use their collective purchasing power to obtain discounts for their students on necessary medical equipment, textbooks, and other educational supplies and to cooperate with undergraduate institutions to establish collaborative debt counseling for entering first-year medical students. (12) AMA-MSS will ask the AMA to urge our state medical societies to advocate for an annual tuition cap (adjusted for inflation) at public and private medical schools within their states. (MSS Res 6, I-03) (AMA Res 850, 848, and 847, I-03, Adopted [D-305.980, D-305.982, D-305.979]) (Reaffirmed: MSS Res 3, I-05)

#### **305.059MSS Student Loan Forgiveness for Volunteer Clinic Work**

AMA-MSS will ask the AMA to: (1) conduct an analysis of the creative use of tax credits, student loan deferment and loan forgiveness programs, and practice subsidies as financial incentives to physicians for providing care in identified underserved areas; and (2) work with state medical societies and other appropriate entities to identify, catalogue, and evaluate the effectiveness of incentive programs designed to promote the location and retention of physicians in rural and urban underserved areas and, consequently, improve patient access to health care in these areas. (MSS Sub Res 3, I-05)

#### **305.061MSS Student Loan Empowerment**

AMA-MSS will ask the AMA to support legislation that requires medical schools to inform students of all government loan opportunities along with private loans, and requires disclosure of reasons that preferred lenders were chosen. (MSS Amended Res 16, I-07) (AMA Res 307, A-08, Adopted as Amended [H-295.869])

#### **D-305.975 Long-Term Solutions to Medical Student Debt**

Our AMA will: (1) through its Council on Medical Education, continue a comprehensive study of medical education financing, with a report back to the House of Delegates at the 2005 Annual Meeting; (2) encourage medical schools and state medical societies to consider the creation of self-managed, low-interest loan programs for medical students, and collect and disseminate information on such programs; (3) advocate for increased funding for the National Health Service Corps Loan Repayment Program to assure adequate funding of primary care within the National Health Service Corps, as well as to permit: (a) inclusion of all medical specialties in need, and (b) service in clinical settings that care for the underserved but are not necessarily located in health professions shortage areas; (4) work with state medical societies to advocate for the creation of either tuition caps or, if caps are not feasible, pre-defined tuition increases, so that medical students will be aware of their tuition and fee costs for the total period of their enrollment; and (5) collect and disseminate information on medical school programs that cap medical education debt, including the types of debt management education that are provided. (CME Rep. 3, I-04; Reaffirmation I-06)