



Financing Medical Education

Jay Erickson M.D.

Zach Meyers M.D.

Agenda-Financing Medical Education



- How to apply
- The cost of a medical education
- Types of Financial Aid available to medical students
 - Loans
 - Scholarships
- Loan Repayment and Loan Forgiveness Options
- Financial Literacy

Med Student Poll:

- FAFSA and UW interaction
- Financial literacy: specter of debt
- What scholarships are out there and where do I look?
- What do I do if unbudgeted money needs arise?
- What are the repayment options?
- What are the options for getting medical school financed?





How to Apply

- Apply online through the Free Application for Federal Student Aid (FAFSA). Note FAFSA priority deadline is April 1.
- Independent, Graduate/Professional Student
- Parental information is required by UWSOM to be considered for UW scholarship and Title VII aid.

www.FAFSA.ed.gov



MT-UWSOM Costs-higher MRPIP

1st Year (4 Quarters)		2nd Year (4 Quarters)		3rd Year (4 Quarters)		4th Year (4 Quarters)	
Resident Tuition	\$12,070	Resident Tuition	\$35,101	Resident Tuition	\$53,480	Resident Tuition	\$53,480
Books	\$2,998	Books (Step 1, Fall quarter)	\$1,997	Books (Step 2, Fall quarter)	\$1,889	Books	\$1,244
Room & Board	\$26,600	Room & Board	\$26,600	Room & Board	\$26,600	Room & Board	\$26,600
Personal	\$3,184	Personal	\$3,184	Personal	\$3,184	Personal	\$3,184
Transportation	\$2,004	Transportation	\$2,223	Transportation	\$2,884	Transportation	\$2,884
Fees	\$1,557	Fees	\$1,497	Fees	\$1,357	Fees	\$1,357
MRPIP	\$13,670	MRPIP	\$13,670	MRPIP	\$13,670	MRPIP	\$13,670
TOTAL	\$62,083	TOTAL	\$84,272	TOTAL	\$103,064	TOTAL	\$102,419

MT-UWSOM Costs-lower MRPIP

1st Year (3 Quarters)		2nd Year (4 Quarters)		3rd Year (4 Quarters)		4th Year (4 Quarters)	
Resident Tuition	\$12,070	Resident Tuition	\$35,101	Resident Tuition	\$53,480	Resident Tuition	\$53,480
Books	\$2,998	Books (Step 1, Fall quarter)	\$1,997	Books (Step 2, Fall quarter)	\$1,889	Books	\$1,244
Room & Board	\$26,600	Room & Board	\$26,600	Room & Board	\$26,600	Room & Board	\$26,600
Personal	\$ 3,184	Personal	\$3,184	Personal	\$3,184	Personal	\$3,184
Transportation	\$2,004	Transportation	\$2,223	Transportation	\$2,884	Transportation	\$2,884
Fees	\$1,557	Fees	\$1,497	Fees	\$1,357	Fees	\$1,357
MRPIP	\$5,468	MRPIP	\$5,468	MRPIP	\$5,468	MRPIP	\$5,468
TOTAL	\$53,881	TOTAL	\$76,070	Total	\$94,862	Total	\$94,217

Average Student Debt



Public:
199,391

Private:
219,829

UWSOM:
200,311

Types of Financial Aid

Student Loans

- **Most common financial aid award**
 - Direct (Stafford) Loan (Unsubsidized vs Subsidized)
 - Graduate PLUS Loan
- **Less common loans**
 - Primary Care Loan (PCL)
 - Loan for Disadvantaged Students (LDS)
 - Health Professions Student Loan (HPSL)
 - Private/Alternative Student Loan



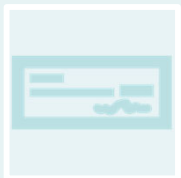
Direct (Stafford) Loan



Federally regulated loan with funding based on FAFSA application



Eligibility ranges from \$5,500 up to \$53000* Interest rate is fixed annually



Origination fee applies (~1% of loan amount)

Graduate PLUS Loan

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Federally regulated loan

Must not have adverse credit

Maximum loan amount is the student's cost of attendance minus any other financial aid received

Interest rate is fixed annually

Origination fee applies (~4% of loan amount)

Primary Care Loan

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Institution Dependent

Must practice in primary care for the life of the loan or for at least 10 years

Interest free during enrollment and residency

Interest is fixed at 5% in repayment

Loan for Disadvantaged Students

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Institution dependent

Student must be from a disadvantaged background

Interest free during enrollment and residency

Interest is fixed at 5% in repayment

Health Professions Student Loan

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Institution dependent

Must demonstrate financial need

Interest free during enrollment and residency

Interest is fixed at 5% in repayment

Private Student Loan



Not federally regulated



Credit check is performed to determine approval, interest rate, and fees



Maximum loan amount: student's cost of attendance minus any other financial aid



Fixed and variable interest rates that can increase or decrease over time, depending on market conditions.



*Origination fee may apply



SCHOLARSHIPS



Scholarships

- Scholarship for Disadvantaged Students (not all schools have this)
- National Health Service Corps
- Military Health Professions Scholarship Program
- Western Interstate Commission for Higher Education: Professional Student Exchange Program (WICHE – PSEP)
- Private Scholarships



Scholarship for Disadvantaged Students



- Institution dependent*
- Student must be from a disadvantaged background (low or very low income)
- Contact financial aid at your institution to see if you qualify

National Health Service Corps Scholarship

- Scholarship pays for tuition, fees, educational costs, and a monthly living stipend
- Student applicants from one of these disciplines: allopathic medicine, osteopathic medicine, dentistry, nurse practitioners, certified nurse-midwives, doctor of nursing practice, physician assistant
- Commitment to work at least 2 years in a medically underserved area
(<http://nhsc.hrsa.gov/>)



Military Health Professions Program

- Army, Navy, and Air Force
- Scholarship pays for tuition, fees, other educational costs, and a monthly stipend
- Service requirement
- Gain rank through training



Montana Medical Programs



WWAMI (in state tuition first 2 years)

- 30 spots yearly for Montana students

WICHE- Professional Student Exchange Program

- 5-6 Spots yearly for Montanans (not at schools in Montana)
- Pending biennial legislative approval
- <http://www.wiche.edu/psep>

Private Scholarships

- Exist through the school
 - Apply early and annually!
 - Often need updated CV and application letter
- Many in Montana exist
 - Check with your local hospital/community
 - Many exist within specialty of choice





LOAN REPAYMENT OPTIONS



Loan Repayment/Forgiveness Options



- Public Service Loan Forgiveness
- State Loan Forgiveness
 - MRPIP
- National Health Service Corps
- Military
- Hospital/employer based

Public Service Loan Forgiveness

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- Work full-time in a public service job (government or not-for-profit job)
- Remaining balance forgiven after 120 on-time monthly payments (10 years)
- Federal Direct Loan Borrowers (Stafford and Grad PLUS)
- **Must make income-based repayments**
- <https://studentaid.ed.gov>

State Loan Forgiveness

- States apply for funds, not individual health professionals
- Service commitment varies per state
- <http://www.nhsc.hrsa.gov/loanrepayment/stateloanrepaymentprogram/>



Montana



- Montana Rural Physician Incentive Program (MRPIP)
- Helps pay debts of physicians practicing in rural and underserved parts of MT
- Comes out of fees assessed on MT med students going to WWAMI or WICHE programs.
- <https://mus.edu/Prepare/Pay/Loans/MRPIP.asp>

National Health Service Corps

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Loan Repayment Program

- Pays up to \$50,000 towards loan debt for two year contract (excluding salary)
 - 50K, first 2 years, 25K additional year(s)
- Family med, Internal med, psychiatry, peds, ob/gyn, dental, mental/behavioral health
- <https://nhsc.hrsa.gov/loanrepayment/>

Military STRAP

Specialized Training Assistance Program

- Army and Air Force offer STRAP
- Amount of support varies by branch and health profession
 - Generally \$2k+/month stipend during residency
- Service commitment is one year for every 6 months stipend received
 - Service is Guard or Reserve



Employer Based Forgiveness

- At time of signing contract
- Vary significantly
 - Zero some places
 - 20,000+ /year other places
 - Considered taxable income





FINANCIAL LITERACY



Financial Literacy



Before you start medical school:

- Reduce or eliminate any monthly financial obligations: **credit cards**, car payments, cell phone
- Create a realistic, conservative budget
- Understand the cost of attendance and how financial aid will assist you
- Save as much money as possible prior to the start of school-work on a savings cushion for emergencies
- Protect your credit report
- Apply broadly for scholarships!

Budget based on UWSOM

- \$32,200 room, board, transportation, personal (2680/month)
 - Rent/mortgage, insurance, phone, utilities
 - Credit card
 - Food
 - Transportation
 - Car payment/insurance
 - Health (gym, equipment, meds etc)
 - Incidentals
 - Fun stuff/social
 - Emergency fund



What if.....

- You are on budget and an emergency arises:
 - Health, car trouble, travel for family issues, etc
 - Emergency fund savings-start early
- Optional: Private loans
 - Higher interest rates
 - \$5000 loan at 8% interest paid over 10 years --> you pay: \$7289 (45% more)
- Difficult but doable for some: part time work, sell plasma?
- Less good: lottery tickets, Vegas odds



What does repayment look like?

- UWSOM Total: \$200,000* for four years tuition, living expenses, and costs
 - At 5% interest rate for 30 years this is \$1100/month (10 years \$2150/month)
 - At 5% interest rate x 30 years you pay total \$396000 (difference of interest \$196000)
 - At 8% for 30 years this is \$1470/month (10 year term \$2425/month)
 - Interest paid over 30 yrs: \$328,000





SO HOW DO YOU DO IT?



So how do you do it?

Montana average salaries:

Primary care \$197,000

Specialty care \$260,000



So how do you do it?



- Budget & don't be extravagant
- Keep living like you are in medical school as long as you can
- Try to consolidate loans at lower rates
- Look for scholarships early and often
- Look for loan repayment at every opportunity

Questions?

- <https://www.uwmedicine.org/school-of-medicine/md-program/financial-aid>

