



Financing Medical Education

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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



How to Apply

- Apply online through the Free Application for Federal Student Aid (FAFSA). Note FAFSA priority deadline is January 15.
- Independent, Graduate/Professional Student
- Parental information is required by UWSOM to be considered for UW scholarship and Title VII aid.

www.FAFSA.ed.gov



Types of Financial Aid

Student Loans

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



Unsubsidized Stafford Loan

- Federally regulated loan
- Guaranteed funding through FAFSA application
- Eligibility ranges from \$20,500 up to \$47,167 (depending on borrowing history, program, and enrollment)
- Interest rate is fixed
- Origination fee applies



Graduate PLUS Loan

- 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
- Origination fee applies



Primary Care Loan

- Institution applies for funding through the U.S. Department of Health and Human Services
- If the institution is granted funding, the institution will invite the student to apply from one of these disciplines: **allopathic medicine or osteopathic medicine**
- Must practice in primary care for the life of the loan, including residency
- Interest free during enrollment and residency
- Interest is fixed at 5% in repayment



Loan for Disadvantaged Students

A blue stethoscope is positioned in the top right corner of the slide, with its chest piece and earbuds visible. The background of the slide features a faint, light blue silhouette of a person in a white lab coat, suggesting a medical professional.

- Institution applies for funding through the U.S. Department of Health and Human Services
- If the institution is granted funding, the institution will invite the student to apply from one of these disciplines: **allopathic medicine, osteopathic medicine, dentistry, optometry, pharmacy, podiatric medicine, veterinary medicine**
- Student must be from a disadvantaged background
- Interest free during enrollment and residency
- Interest is fixed at 5% in repayment

Health Professions Student Loan

A blue stethoscope is positioned in the top right corner of the slide, partially overlapping the dark blue header bar. The stethoscope is rendered in a semi-transparent, blue-tinted style, with its chest piece and earbuds clearly visible.

- Institution applies for funding through the U.S. Department of Health and Human Services
- If the institution is granted funding, the institution will invite the student to apply from one of these disciplines: **dentistry, optometry, pharmacy, podiatric medicine, veterinary medicine**
- 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 is the student's cost of attendance minus any other financial aid received
- 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
- 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 applies for funding through the U.S. Department of Health and Human Services
- If the institution is granted funding, the institution will invite the student to apply from one of these disciplines: allopathic medicine, osteopathic medicine, dentistry, optometry, pharmacy, podiatric medicine, veterinary medicine, chiropractic, behavioral and mental health, public health, nursing, allied health, physician assistant
- Student must be from a disadvantaged background



National Health Service Corps Scholarship



- Scholarship pays for tuition, fees, other educational costs, and a monthly 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 in primary care

<http://nhsc.hrsa.gov/>

Military Health Professions Program

- Army, Navy, and Air Force offer this scholarship
- Scholarship pays for tuition, fees, other educational costs, and a monthly stipend
- Student applicants from one of these disciplines: **medical, dental, optometry, veterinary medicine**
- Recruiter information is available here or through your school



Montana Programs

- WWAMI (in state tuition first 1-2 years)
- WICHE- Professional Student Exchange Program
 - 5-6 Spots yearly for Montanans
- <http://www.wiche.edu/psep>



Private Scholarships

- Exist through the school
 - Apply early and annually!
- Many in Montana exist
 - Check with local hospital
 - Helen S. Davis Scholarship
 - Many exist within specialty of choice



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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/repay-loans/forgiveness-cancellation/public-service#what-is-pslf>

State Loan Forgiveness

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



Montana

- 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
 - Before tax



The image features a dark blue header at the top. On the right side, there is a close-up of a silver stethoscope. The background is a light blue gradient with a faint, semi-transparent line graph showing an upward trend. The text 'FINANCIAL LITERACY' is centered in a bold, dark blue font.

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!

UWSOM Costs for MT students

1st Year (MSU)		2nd Year (MSU + 2 Quarters UW)		3rd Year (4 Quarters UW)		4th Year (4 Quarters UW)	
Resident Tuition	\$12,021	Resident Tuition	\$25,805	Resident Tuition	\$50,154	Resident Tuition	\$50,154
Books	\$1,436	Books (Step 1, Fall quarter)	\$1,982	Books (Step 2, Fall quarter)	\$3,167	Books	\$1,244
Room & Board	\$16,560	Room & Board	\$22,080	Room & Board	\$22,080	Room & Board	\$22,080
Personal	\$2,265	Personal	\$3,020	Personal	\$3,020	Personal	\$3,020
Transportation	\$1,503	Transportation	\$2,223	Transportation	\$2,884	Transportation	\$2,884
HSIP Fee	\$81	HSIP Fee	\$108	HSIP Fee	\$108	HSIP Fee	\$108
BLS fee	\$50	Med. Cert. Fee	\$40	TOTAL	\$81,413	TOTAL	\$79,490
TOTAL	\$33,916	TOTAL	\$55,256				

Budget based on UWSOM

- \$20000-28000 room, board, transportation, personal (2100/month)
 - Rent/mortgage, insurance, phone, utilities
 - Credit card
 - Food
 - Transportation
 - Car payment/insurance
 - Health (gym, equipment, meds etc)
 - Incidentals
 - Fun stuff
 - Emergency fund



What if.....

- You are on budget and an emergency arises:
 - Health, car trouble, travel for family issues, etc
- Best: Emergency fund savings-start early
- Optional: Private loans CitiAssist etc
 - 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, payday loans



What does repayment look like?

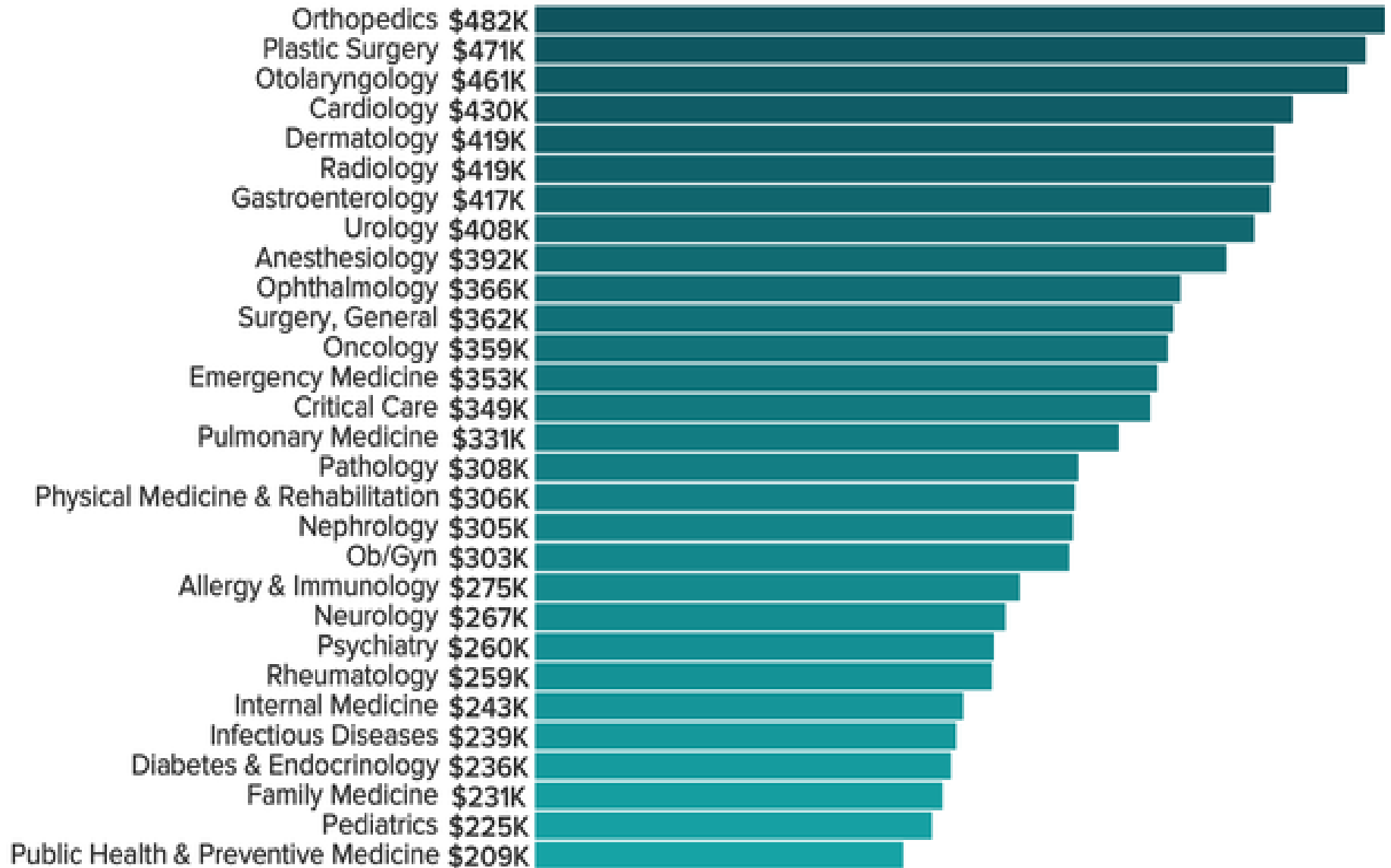
- UWSOM Total: \$295,000 for four years tuition, living expenses, and costs
 - At 5% interest rate for 30 years this is \$1580/month (10 years \$3100/month)
 - At 5% interest rate x 30 years you pay total \$570,000 (difference of interest \$275,000)
 - At 7% for 30 years this is \$1900/month
 - Interest difference: \$411,000




The image features a dark blue header at the top. On the right side, there is a close-up of a silver stethoscope. The background is a light blue gradient with a faint, semi-transparent anatomical diagram of a human torso, showing the chest and abdominal areas. The text "SO HOW DO YOU DO IT?" is centered in the middle of the page in a bold, dark blue font.

SO HOW DO YOU DO IT?

Average Annual Physician Compensation



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- USA average physician salary 2019:
\$314,000

(source Medscape Physician Compensation report)

- Montana a bit lower (Primary care \$200,000, Specialty maybe \$260,000)
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- Monthly income after taxes and retirement savings 7500-12,000
 - After student loan payment: 5000-10000 per month

Questions?

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

