ASSOCIATION MÉDICALE CANADIENNE
CANADIAN MEDICAL ASSOCIATION

CMA POLICY

TUITION FEE ESCALATION AND DEREGULATION IN UNDERGRADUATE PROGRAMS IN MEDICINE (UPDATE 2009)

The Canadian Medical Association (CMA) is very concerned about high and rapidly escalating, undergraduate medical school tuition fees across Canada. Ontario set a precedent for the deregulation of tuition fees in May 1998 and many provinces have since followed. This policy gives universities, including medical schools, the discretion to set fees for training in those areas that lead to professional careers, such as medicine. For the 2008-2009 academic year, first-year tuition fees at most Ontario medical schools were triple the tuition fees in 1997-1998 at an average of $16,550 per year;[1] this figure does not include compulsory "other fees" that can be as much as $1,700 per year.[2] Irrespective of whether tuition fees have been regulated, some medical schools outside of Ontario have doubled their tuition fees within the same time period. Decreased government funding to universities is increasing the fiscal pressures on institutions and is driving these dramatic tuition fee increases. The CMA believes that high tuition fees, coupled with insufficient financial support systems, have a significant and detrimental impact on not only current and potential medical students, but also the Canadian health care system and public access to medical services.

Broad Effects of High Tuition Fees

Lack of Diversity

Medical education in Canada has traditionally been affordable and accessible to individuals from a range of socioeconomic and ethnic groups who later serve an equally diverse population. Unfortunately, the introduction of high tuition fees may close the door to individuals who either cannot afford the high costs of a medical education or wish to avoid the prospect of significant debt load upon graduation. High tuition fees may therefore create an imbalance in admissions to medical school by favouring those who represent the affluent segment of society and not the variety of groups reflected in the Canadian population. The proportion of medical students from lower income families is already extremely low and decreasing further.[3] Paradoxically, funds that should be injected to making tuition fees reasonable — and therefore more accessible by a broader range of society — may soon need to be allocated to creating career promotion and special financial support programs that target those groups that have been alienated by high tuition fees.

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Influence on Practice Choice and Practice Location ("Brain Drain")

It is likely that paying off debts as quickly as possible will become a key consideration when determining practice location and specialty. For instance, more students may feel compelled to maximize their earning potential by pursuing those specialties that generate high incomes; others may choose those specialties with short training periods so they can enter the workforce and start to pay off debts sooner.

Debt load may also influence where graduating physicians choose to practise medicine. The increasing willingness of American recruiters to pay off the debts of new graduates provides tremendous incentive to practise in the U.S. and explore research opportunities; unfortunately, it only aggravates the ongoing problem of the "brain drain" of Canadian physicians.[4] While we have been enjoying a net gain of physicians from the U.S., we may experience net loss with physician shortages expected in the U.S. More physician retention and recruitment initiatives are needed to encourage physicians to remain in or return to Canada. This is especially true for rural and remote communities. Urban areas are often in a better financial position to offer incentives to new graduates than rural and remote communities where physician shortages are most pronounced.

Effects on Rural and Remote Areas

The CMA believes that governments must be made aware of the potentially negative impact of high tuition fees and student debt on physician workforce supply for the rural and remote areas of Canada. Research shows that medical students from rural and remote areas have a greater likelihood of returning to these communities to practise medicine.[5] Research also shows that students of rural origin have higher student debts[6] and are underrepresented in Canadian medical schools.[7] Students from rural and remote communities face the challenge of not being able to live at home while they attend university. They must assume high relocation expenses and travel costs, as well as separation from their families while they are away at school. Of student respondents to the 2007 National Physician Survey, 53.1% of rural students compared with 67.4% of urban medical students had no debt upon entering medical school. When asked to predict their expected debt upon completion of medical school, 33.2% of rural students compared with 23% of urban students expected their debtload to exceed $100,000.[8] Unfortunately, the introduction of high tuition fees might make both the personal and financial costs of pursuing a medical education too significant for students from rural and remote areas to even consider. As a result, this may generate fewer physicians willing to practise in these areas and exacerbate the problem most rural and remote communities already face in attracting and retaining physicians. High tuition fees might also further increase the reliance on international medical graduates in rural and remote communities. While the CMA values the contributions of international medical graduates in alleviating shortages in physician supply, it believes that Canadian governments must adopt the guiding principle of self-sufficiency in the production and retention of physicians to meet population needs.

Effects on New and Potential Medical Students

Medical students affected by high and escalating tuition fees will graduate with unprecedented debt loads. Enormous education costs, already a reality in some provinces, are a growing trend. In 2007, over one third (36%) of students said they expected debtloads of $80,000 or more upon completion of medical school.[9]

A number of factors, as highlighted below, contribute to students' financial burden and

may affect their ability to pay off debts and meet financial obligations. This, in turn, may influence their choice of medical discipline and practice location. Exorbitant education costs may also result in students considering dropping out of, or taking longer to complete, their medical studies because they cannot afford the ongoing costs, or are too overwhelmed with the combined stress of their medical studies and trying to make financial ends meet. The CMA is very concerned that excessive debt loads will exacerbate the stress already experienced by medical students during their training and will have a significant and negative impact on their health and well-being.

Previous Education Debt and Accumulative Debt

Most Canadian medical schools make an undergraduate degree a prerequisite to application. As such, by the time most students are accepted into medical school, they may have already accumulated debt from a previous undergraduate degree. Many students have also completed postgraduate degrees before entering medical school.[10] This debt continues to accumulate during the undergraduate years of medical school and into the postgraduate training period, which is anywhere from two years to seven years in duration. This does not include additional time spent doing fellowships. It may be very useful to establish a national clearinghouse of public and private financial assistance programs to help students in their search for financial support.

Limited or No Employment Opportunities during Undergraduate Training

Tuition fees, along with ongoing increases in living expenses, are already making it very difficult for some students to make ends meet. It makes matters worse that there are limited or no opportunities to generate income through employment during the academic year and the summer months. Given the intensity of the medical school program, some schools strongly advise against working part time. To further compound the problem, some schools have very short summer breaks. For those schools that do provide summer holidays, the holidays often start later than other university programs, by which time employment opportunities are scarce or low paying. There is also the common expectation that medical students will undertake unpaid clinical or research elective experiences during the summer to enhance their desirability for postgraduate medical programs.

Limited or No Remuneration for the Clinical Clerkship

During the clerkship years, there are no summertime breaks because students spend these years working in hospitals and other clinical settings. All Canadian medical students (outside of Québec) receive a relatively small stipend during their clerkship varying from $2,808 to $6,000;[11] however, the stipend had previously been abolished in medical schools in Ontario and Québec in the early 1990s. Fortunately Ontario reinstated the stipend as the Final Year Medical Student Bursary in 2004.[12]

Unique Expenses

In addition to very limited or no opportunities to generate employment income, medical students must bear a number of unique and significant costs. These include very high textbook and instrument costs, as well as a variety of expenses associated with their clerkship, such as travel to and from the clinical setting and the need for professional attire. The introduction of distributed medical education including satellite campuses, co-campuses and rural learning sites has increased the amount of travel required of medical students as well as the associated costs.

Off-site electives also generate many additional expenses, including the cost for travel to the site — which may be in a different province — as well as accommodation and other living expenses. A 1999 survey of graduating medical students revealed that more than half took an off-site elective at a specific institution in order to increase their chances of being matched to that site.[13] As postgraduate training becomes even more competitive, the number of students taking off-site electives may increase and so will the number of students who are adding this expense to their overall debt load.

Medical students must also assume considerable costs related to interviews for residency training, including the high costs for travel to various interview sites, accommodation expenses, application fees for the resident matching service and other miscellaneous expenses. There is also a considerable fee for the qualifying examination that is written at the end of medical school.

Insufficient Public Funding and Increasing Reliance on Bank Loans

Government financial support programs (bursaries and loans) are not increasing to meet students' needs due to rising tuition costs and living expenses. As a consequence, the number of students who must rely on interest-bearing bank loans to help support themselves while they are in school may increase. Unlike some government programs, repayment of bank loans often cannot be postponed until after graduation and interest payment is required during the course of study; this further exacerbates students' financial stress.

Residency Costs

Upon graduation from medical school, students must pursue two to seven years of postgraduate training to obtain a licence to practise medicine. This training period is marked with fees for examinations as well as an annual tuition and/or registration fee. During 2008-2009, the tuition fee was as much as $3,900 in some provinces.[14] Residents are also required to work long hours in hospitals and other clinical settings and have frequent on-call responsibilities. Although residents do receive a salary for this work, the remuneration is relatively modest when these factors and debt servicing payments are considered. In fact, mandatory debt maintenance can consume a very significant proportion of a resident's pay.[15] The CMA opposes tuition fees for residents. While the CMA's opposition to residency tuition is based on a number of factors not limited to its financial impact, clearly, tuition fees exacerbate debt.

High Practice Start-up Costs and Decreased Pay Potential

Licensed physicians wanting to establish a clinical practice currently face start-up costs estimated between $30,000 and $50,000, depending on their practice specialty and type (e.g., solo versus group practice).[16] Some specialties require capital investment over and above the basic start-up costs. These expenses will add to the significant debt that new physicians will bear in the next few years.

Other Factors

In addition to significantly higher debt load than the previous generation of new physicians, a number of factors may influence the net income of physicians and their ability to pay off debts. These include billing caps, stagnant fees for services, high malpractice insurance fees, overhead expenses and increasing non-remunerative administrative responsibilities.

Summary

In summary, the CMA believes that high tuition fees, coupled with insufficient financial

support systems, have a significant impact on not only current and potential medical students, but also the Canadian health care system and public access to medical services. This impact includes:

- creating socioeconomic barriers to application to medical school and threatening the diversity of future physicians serving the public
- exacerbating the physician brain drain to the U.S. where new physicians can pay off their huge debts more quickly
- generating fewer physicians available or interested in practising in rural and remote areas of Canada

Recommendations

In response to its concerns regarding the deregulation of tuition fees and high tuition fee increases, the CMA recommends that:

1 governments increase funding to medical schools to alleviate the pressures driving tuition increases
2 any tuition increase should be regulated and reasonable
3 financial support systems for students be developed concomitantly or in advance of any tuition increase, be in direct proportion to the tuition fee increase and provided at levels that meet the needs of students.

Appendix

Glossary of Terms

Undergraduate Program in Medicine, also known as "Medical School"
Medical school is the period of study, usually four years in duration that leads to the doctor of medicine or "MD" degree upon graduation. Most Canadian universities require applicants to the undergraduate medicine program to have at least a three-year degree (e.g., Bachelor of Science degree) before they are eligible to apply. Although the title "Doctor" is conferred upon successful completion of the undergraduate program, an additional two to seven years or more of residency training is required before these individuals can apply for a licence to practise medicine in Canada.

Clerkship
The clerkship is the period during the last one to two years of undergraduate studies in medicine during which medical students work in hospitals, clinics and physicians' offices.

Off-site Elective
Many students take off-site electives during their clerkship. An "elective" is a course or training that is not mandatory to the curriculum, but may be elected or chosen by the student. An "off-site" elective means that the training is being provided at a location different from the medical school where the student is enrolled; for example, the elective may be in a different city, province, or even a different country.

Resident Matching
During the last year of undergraduate training, most graduating medical students participate in a national process that matches them with available residency training positions in Canada.

Residency/Postgraduate Training Period
After earning his/her MD degree and receiving the title "Doctor," additional training is required in a specific area before an individual may practise medicine in Canada. This period of training is referred to as "residency" or "postgraduate training;" the individuals undergoing the training are called "residents." Residents usually work in hospitals (also called "teaching hospitals") under the supervision of a licensed physician. Depending on the field of study, residency training may range from two to seven years or longer if subspecialty training is pursued (e.g., pediatric cardiology). At the end of residency training, individuals must pass a

number of examinations to practise medicine in Canada.

Fellowship

A fellowship is training sought by individuals who wish to obtain expertise in a specific area of medicine above and beyond basic residency requirements.

References

[1] Tuition Fees in Canadian Faculties of Medicine: Session Commencing Fall 2008. Office of Research and Information Services, Association of Faculties of Medicine of Canada, November 2008.

[2] Ibid.

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[4] "Are We Losing Our Minds? Trends, Determinants and the Role of Taxation in Brain Drain to the United States," The Conference Board of Canada, July 1999.

[5] Advisory Panel Report on the Provision of Medical Services in Underserviced Regions. Canadian Medical Association, 1992.

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[7] Dhalla IA, Kwong JC, Streiner DL, Baddour RE, Waddell AE, Johnson IL, et al. Characteristics of first-year students in Canadian medical schools. *CMAJ* 2002;166(8):1029-35.

[8] 2007 National Physician Survey.

[9] 2007 National Physician Survey.

[10] "Educational Attainment at Time of Application of Registered and Not Registered Applicants to Canadian Faculties of Medicine – 2006-2007 (Table 105)." 2008 Canadian Medical Education Statistics. Association of Faculties of Medicine of Canada, Volume 30, p154.

[11] "Duration of Clinical Clerkship and Amount of Stipend in Canadian Faculties of Medicine 2008-2009 (Table 7)." 2008 Canadian Medical Education Statistics. Association of Faculties of Medicine of Canada, Volume 30, p9.

[12] Clinical Clerkship Stipends by Faculty of Medicine, 1995-1996 to 1999-2000, Canadian Medical Association Research Directorate, January 2000.

[13] Results of the Post-Match Survey of Students Graduating 1999, Canadian Resident Matching Service.

[14] "Post-MD Clinical Trainee Fees in Canadian Faculties of Medicine – 2008-2009 (Table 6)." 2008 Canadian Medical Education Statistics. Association of Faculties of Medicine of Canada, Volume 30, p8.

[15] 2007 National Physician Survey.

[16] Practice Management, MD Management Ltd.