“Can Medical Students Afford to Choose Primary Care? An Economic Analysis of Physician Education Debt Repayment”
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Study: Examination of economics of educational (medical school) loan repayment in the context of physicians’ expenses and house-hold income to determine if debt level should have an effect on specialty choice.

Goal is to see if misperceptions about finances, including income and indebtedness can lead to faulty assumptions about choice of a medical specialty. In particular, can medical school graduates “afford” a career in primary care, with the understanding that it pays less than other medical specialties?

Methods: Analyzed the finances of a fictional couple over their lifetime.

Dr. Median- Married to college graduate spouse of same age, two children, no divorce, death at age 85.

Assumptions: no pre-medical school debt, entered med school in 2006, graduated in 2010 at age 27.

3 Career tracks:

a. Primary Care
b. OB/Gyn or Psychiatry
c. General Surgery

2 Geographic locations:

a. Boston (high cost of living)
b. Denver (lower cost of living)

Looked at repayment of 4 levels of debt: $150K, $200K, $250K, $300K
Additional repayment factors: 10 vs. 25 yr. repayment, forbearance or not, participation in National Health Service Corps, Income Based Repayment, Public service loan forgiveness.

Results/Discussion:
Trainees graduating with lowest debt level, $150K, can afford to choose primary care and live in a high cost of living area and pay off debt in 10 yrs. without sacrificing significant quality of life. Results show that at higher debt levels >$200K, trainees would need to explore other options: 25 yr. loan repayment, or participation in one of the loan reduction/forgiveness programs.

Limitations:
Does not include pre-med debt, looks at 2 child family, does not factor possibility of doing a fellowship, additional costs for non-traditional students- child care, health insurance for dependents, time not contributing towards retirement.

Does not explore non-financial factors that play into decision of specialty choice.

Future questions:
1. What if as number of medical schools expands, without a co-occurring increase in number of residency slots, will there be a population of medical school grads that cannot find PGY 1 residency slots following graduation from medical school?
2. Changes/decline in Medicare reimbursement?

Average debt at Penn $135K