Med school debt becomes budgeting burden for primary care

By Stacey Butterfield

The budget included about $2,200 for loan payments, $900 for retirement savings, $1,700 for mortgage and other home expenses, $2,000 for children’s college savings, and another $2,000 for other expenses. Unfortunately, at the end of the month, that budget left the new primary care doctor $8,400 in the hole. By contrast, the same budgeting calculations showed that a new psychiatrist or radiologist would have a monthly surplus of more than $600 and $8,400, respectively.

The findings, titled “Economic Impact of a Primary Care Career: A Harsh Reality for Medical Students and the Nation,” were published in *Academic Medicine* in November 2010. The study’s lead authors, Martin Palmeri, ACP Associate Member, MBA, and Catherine Pipas, MD, spoke to *ACP Internist* about their implications on primary care physicians and the U.S. health care system.

Dr. Palmeri is a fellow and instructor of hematology/oncology and Dr. Pipas is professor and vice chair of community and family medicine, both at Dartmouth Medical School.

**Q:** What motivated you to undertake this study?

**A:** Dr. Palmeri: I did a primary care residency in internal medicine. My first year out, I did a hospitalist job here at Dartmouth. One of the things I did after starting the position was I created a family budget. I realized that, based on my starting salary out of residency, I wasn’t going to be able to meet a lot of the savings and investing goals that were necessary for retirement and my children’s college education. I found that interesting, because I went to one of the cheapest medical schools in the country and had no medical student debt coming out. What bothered me was that I had a lot of friends who had $200,000 to $300,000 worth of debt. If I was having trouble meeting my savings and investing goals that other people face when they pursue primary care careers and they have significant debt? How far behind are they potentially?

Dr. Pipas: Having spent my career really around the idea of supporting students entering careers in primary care, it was of great interest to me to try to understand the awareness of this disconnect between wanting higher quality and lower cost and better access. [We know] that primary care can provide some of that, but we’re not creating a field that students really want to go into—the best and the brightest, such as [Dr. Palmeri] and others. We’re losing those students who are motivated for the right reasons to enter primary care, but they’re feeling, “Hey wait, this actually might not allow me to be comfortable financially.”

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**Q:** When physicians do choose to enter primary care, how do you think they deal with these financial constraints?

**A:** Dr. Palmeri: I discovered, talking to my friends in primary care and physicians who’ve practiced primary care for several years, that most people don’t realize that there are these financial constraints early in their career. A lot of people tell me that when they get into their 40s—their kids are getting closer to college, and they’re beginning to think about retirement—they sit down with their financial planner and they realize, “I’ve been undersaving for my retirement. I’ve been undersaving for my children’s education.” Then you’re playing catch-up. I think a lot of physicians don’t quite realize that because of their prolonged training, they’re starting the entire savings process late in their careers. A three- to five-year delay in savings for retirement and your children’s education can potentially result in having to double your investments in order to catch up.

**Q:** Are there any data on how your findings would compare to statistics for other specialties or other professions?

**A:** Dr. Palmeri: I don’t think a lot of people have looked at what are the implications for this in other specialties. The length of some training programs extends for six, seven, eight years. This could significantly increase what you have to do to catch up. In a lot of specialties, I think they’re going to find these same financial constraints.

Dr. Pipas: Bill Weeks [William B. Weeks, MD, psychiatrist and researcher from Dartmouth] has done some studies looking at different specialties. I believe he studied medicine, law, dentistry and business in general, and on average, medicine came out with the lowest centralized match down the line—longer training with higher loan repayment compared to any of the other fields.

**Q:** Do you think finances are affecting medical students’ choice of specialty?

**A:** Dr. Palmeri: There’s been some interesting publications that show that students with higher levels of debt are less inclined to pick primary care fields. There was also a study published in *Academic Medicine* by Kent DeZee [February 2011]. He asked medical students, “What would it take for you to reconsider your specialty choice?” in terms of financial incentives. He found that about 20% of people who were considering specialties would consider primary care with a fairly small financial incentive.

**Q:** How should such financial incentives be structured—reduced debt, higher salaries?

**A:** Dr. Palmeri: I think getting medical student debt under control is a very big issue. I saw an unpublished report that medical school tuition has been going up 7% to 10% a year in the last 10 years. At this point, about 20% of medical students have debt over $200,000. [That percentage] has nearly doubled from five years ago. We need to find some way to control these rising educational costs and I think we need some novel debt repayment programs out there to encourage students to go into primary care.

See *Money*, page 16

**TIPS**

Physicians need to understand how to establish their identities and their practices online in order to attract patients in the social media age. This online identity includes not only using websites and e-mail, but developing a presence on Facebook and Twitter and on third-party physician ranking websites.

In the center of all these digital options is the practice website. A practice with a good and “findable” website is worth more than any yellow pages ad, insurance listing, and attendance at health fairs. While word of mouth still reigns supreme, a good website can provide all the information patients need before they ever pick up the phone to schedule the first appointment.

To create a website, you can hire a Web designer to do it or you can do it yourself using some fairly simple online options. Here are some considerations when creating a website:

- Get all the content ready to go. Write up the goals, bio, pictures, practice policies, hours, directions, participating insurance plans, unique services, and other information you want your patients to know.
- Buy a domain name. It is not very expensive, so register for different variations of the practice name, and possibly also each physician’s name. Some domains come in a package with Web hosting, or you may buy that separately.
- Hosting costs will vary depending on how many pages your website will have.
- Get “search engine optimization” (SEO) so that your website can be found. A typical five-page website with SEO will cost about $119 a year.
- Build your website keeping your patients in mind. If you are using a “pre-fabricated” website, you can choose from a variety of designs and load pictures and text easily.

In addition to websites, patients can research doctors in many ways. There are commercial sites, such as healthgrades.com, vitals.com and Angie’s List, as well as insurance and hospital websites. Even the government has sites, such as www.medicare.gov/find-a-doctor/provider-search.aspx, that compare physicians and allow consumers to “shop” for doctors much like they shop for anything else online.

Even if a patient finds you on the insurance or hospital “find a doctor” site, they will then search Google to see if they can find out more about you before deciding to schedule an appointment with you. Keep your website current as a resource for this audience. You can also use Facebook, blogs, Twitter, and YouTube for patient education and communication purposes. For instance, a Facebook page could include links to other sites with reliable information, recent research studies that might interest your patients, or announce new staff. Similarly, Twitter could be used to announce when flu shots have arrived or point patients to news items of interest to you.

For more details on developing a practice website (including search engine optimization), and how to use blogs, Facebook, Twitter, YouTube and other tools to promote your practice and educate your patients, go to www.acponline.org/running_practice/practice_management/tools/electronic_shingles.ppt.