



AB 2132

California Future Physician Fund

FACT SHEET

 CARLOS VILLAPUDUA
Assemblymember, District 13

SUMMARY

Assembly Bill 2132 will create a scholarship pilot program that will ensure underrepresented communities across California have access to medical professionals while ensuring underrepresented students in medicine are not overburdened by the high cost of getting a medical education.

BACKGROUND

Pursuing a career in medicine requires dedication and completing a minimum of 11 years of higher education. In the U.S., household income and education levels are tightly linked. Higher household incomes are correlated with higher levels of education. Relative to the U.S. population, the overrepresentation of the highest income levels and the underrepresentation of the lowest income levels are more pronounced among medical schools than U.S. college and university matriculants.¹ An Association of American Medical Colleges study found between 1988 and 2017, more than three-quarters of American medical school students came from affluent households.

Financing medical education is consistently noted as the biggest barrier to pursuing medical education, particularly for individuals underrepresented in medicine (URM). On average, physicians graduate with educational debt totaling more than \$280,000. The average physician ultimately pays \$365,000 – \$440,000 for educational loans including interest.

Applicants of the *CalHealthCares* Loan Repayment Program, the state's loan repayment program for physicians and dentists funded through Proposition 56, average educational debt totals \$322,000. That massive educational debt/burden is likely in part because *CalHealthCares* applicants are socioeconomically and demographically more diverse than the general California physician population. As an example, whereas 5% of all California licensed physicians are Latino, they were 16% of all *CalHealthCares* awardees. The same can be said for Black (3%, 6%) and Asian Pacific Islander (32%, 40%) physicians. This is because URM medical students and residents are more likely to practice with minority, poor, and uninsured patients and these positions often pay lower salaries than other physician counterparts.²

A disjointed quilt of public and private programs supports certain phases of education but there are no statewide programs to support students through the entire course of their medical education. More funding options are available for undergraduate education than for medical school education. Cal Grants, California's College Promise Program, and private school-specific college and university scholarships support undergraduate education. The National Health Services Corps provides scholarships to students who commit to practicing in a medically underserved area after licensure. In contrast, financing medical school – where the average educational debt is \$280,000 – is extremely challenging and includes a combination of school-specific scholarships, student loans, assistance from family, and personal savings. No statewide programs exist to support students while in medical schools



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and many students resort to federal, commercial, and private educational loans to fund tuition and other living expenses. Working part-time during medical school is highly discouraged to maintain the academic rigor. Finally, resident salaries are low in comparison to hours worked, averaging \$57,500 for first-year residents.³

PROBLEM

There is no comprehensive approach to funding medical education. Scholarships and grants are not guaranteed and do not solve the challenge of meeting daily living expenses. Students from affluent families leverage more financial resources and their family's financial and business acumen to develop a funding strategy. While Dreamers are eligible for public scholarships, they are largely ineligible for private, commercial loans due to their legal status. Similarly, while loan repayments reduce debt, **many students and their families may not be willing to take on the enormous financial burden at the onset or may not qualify for traditional commercial loans.** Therefore, URM students are left to cobble together limited financial aid to pursue medical education aspirations. In totality, the average medical education debt is a strong disincentive to commit to the profession or to accept relatively lower-paying practice opportunities in medically underserved areas. This effect is exacerbated for URM and Dreamer candidates.

SOLUTION

This pilot program would identify and select individuals from diverse under-represented communities to fund their education from community college/undergraduate through the completion of their residency program. The individual must commit to practicing in rural or medically underserved areas after completing their residency program.

SUPPORT

California Medical Association (Sponsor)

FOR MORE INFORMATION

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SOURCES

¹ AAMC. October 2018. An Updated Look at the Economic Diversity of U.S. Medical Students.
<https://www.aamc.org/media/9596/download>

² <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3978451>

³ Medscape's Residents Salary and Debt Report, 2021