

# Association of Academic Health Centers

Atlanta, Georgia  
September 2015

## The Politics of Healthcare



# NEW YORK MEDICAL COLLEGE

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**EDWARD C. HALPERIN, M.D., M.A.**  
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Offshore Medical Schools Buy Clinical  
Clerkships in US Hospitals to the  
Detriment of US Medical Schools: The  
Problem and Its Solutions

# Abraham Flexner



Report on Medical Education in  
the United States and Canada,  
1910

1. Attacked for-profit medical schools
2. Called for elevated admissions standards
3. Called for a scientifically based medical school curriculum
4. Called for full-time faculty
5. Called for the association of medical schools with universities and teaching hospitals



Theodore Roosevelt



William Howard Taft



Woodrow  
Wilson

# The Progressive Era



"Somewhere between 1910 and 1912 in this country, a random patient, with a random disease, consulting a doctor chosen at random had, for the first time in the history of mankind, a better than fifty-fifty chance of benefiting from the encounter."

Lawrence Joseph Henderson MD (1878-1942)

The Flexner Report mattered because it arrived at a time in history when, for the first time, medicine mattered.

Contiguous with the issuing of the report, proprietary medical education in the US and Canada collapsed. It now, however, has re-emerged in the form of offshore medical schools, largely on Caribbean islands.

# The Economic Model of For-Profit Medical Education

## Mean MCAT

US matriculants at US schools 31

Ross and American University of the Caribbean 25

St. George's 27

Many for-profit schools require neither the MCAT or a BS degree

It will take "5-10 minutes to fill out the short application form. Once you complete the form an admission advisor...will guide you through the rest of the process."

Admit two to three entering classes per year of as many as 300 students each

Excluding dual-degree students the four-year MD graduation rate:

Most US schools: 90-95%

"The best" off-shore schools:

Ross 66%

American University of the Caribbean 67%

St. George's 80%



From 1998 to 2008 US citizens borrowed >\$1.3 billion in the Federal Family Education Loan (FFEL) program to attend three of the for-profit schools.

For-profit schools that do not have access to US federal loans use a loophole to get access to the money by having students enroll in an online Master's program at a US university and, thus, collect the loans.

In view of the attrition rate, the graduation rates, and the pass rates, the probability of an entering student ever entering the GME stream in the US is

$$80\% \times 60\% \times 50\% = \text{approximately } 25\%$$

The DeVry Corporation, traded on the US stock exchange, owns Ross University and the American University of the Caribbean. Their financial data is a matter of public record.

Annual income \$1.9 billion

"Increases in student enrollments and tuition produced higher revenues and operating income...[most students] were denied admission or wait-listed for US schools...[and are targeted by] direct mail campaigns... radio advertisements...and print ads in major magazines and newspapers...management believes that [tuition] rates will continue to increase...Ross University faculty members are not tenured."

# Mean student loan debt

US students for college + medical  
school                    \$170,000

St. George's   \$220,000

Ross   \$191,500

American University of the Caribbean  
\$253,072

The model:

Have large entering classes, collect large tuition fees fueled by federally supported loans, and use some of the money to buy clinical clerkships in the US for \$400-\$1000/student/week

Kern Medical Center  
Bakersfield CA

Ross signed a deal to buy 100 slots for  
medical student rotations per year for  
ten years for \$35 million

Health and Hospitals Corporation of the  
City of New York  
New York NY

St. George's signed a deal to purchase 600 slots for medical student rotations per year for ten years for \$100 million

[The HHC Board member who proposed and promoted the arrangement was later discovered by the NY Times to be a St. George's graduate and a St. George's Dean.]

# Nassau University Hospital Long Island NY

American University of the Caribbean signed a deal to purchase 64 slots for medical student rotations for ten years for \$19 million

"Unless you're going to pay us, get your students out of my hospital."

New York Institute College of Osteopathic  
Medicine

Stony Brook University

New York Medical College

# Accreditation Standards

Liaison Committee on Medical  
Education (LCME)

Commission on Osteopathic College  
Accreditation (COCA)

US Department of Education and the National Committee on Foreign Medical Education and Accreditation (NCFMEA) identifies countries which "use standards to accredit their medical schools that are comparable to the standards used to accredit medical schools in the United States" to determine eligibility for the federal student loan program.

Would anyone deny that there is a substantial difference between deciding if a country's medical school accreditation standards are comparable to the those of the US and accrediting individual schools?

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# The Veil of Silence

# The Politics of Healthcare

Why is this national disgrace so difficult to stop?



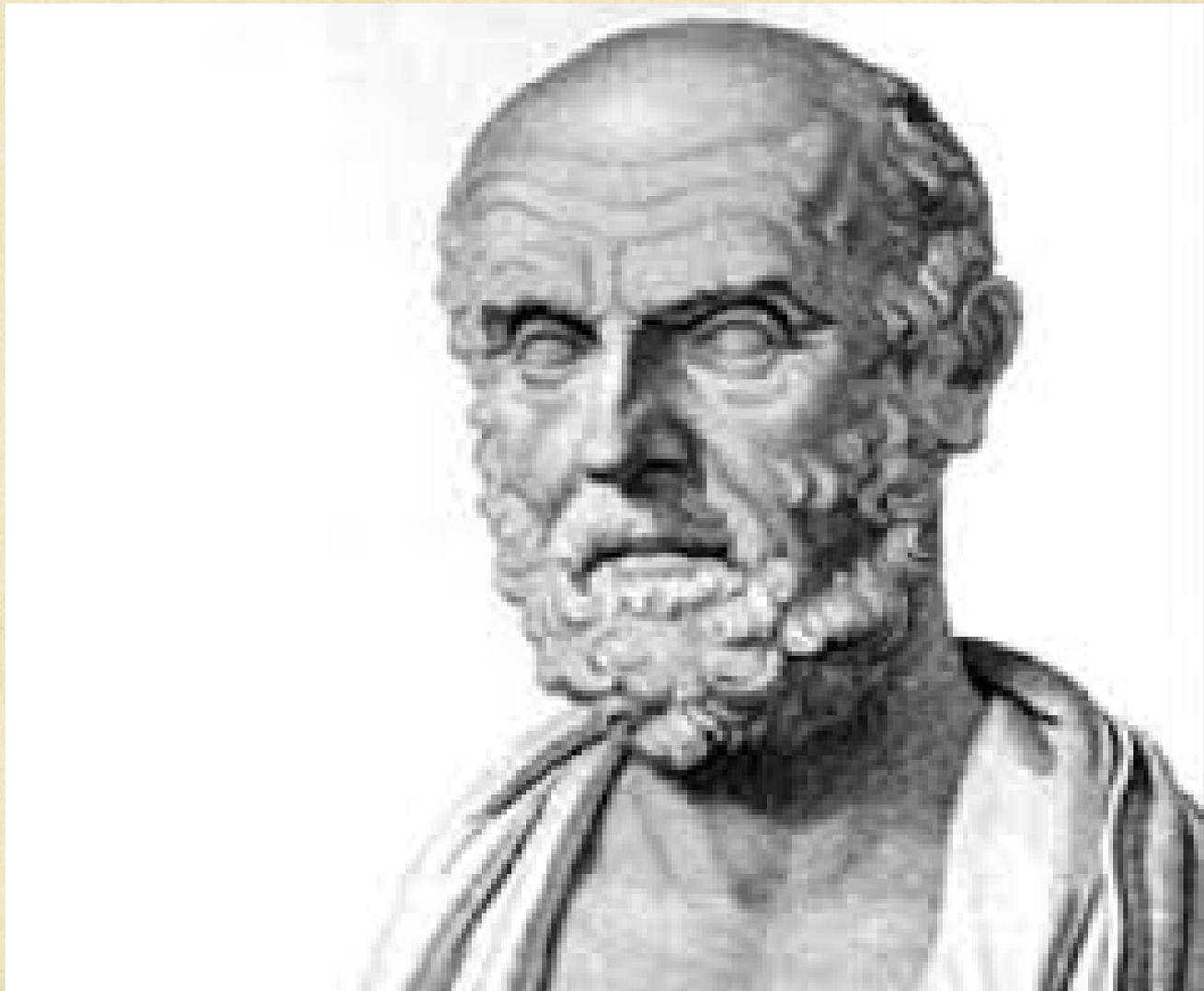
US hospitals like the money

Organizations whose dues-paying members include hospitals respond to the desires of hospitals who like the money



Lawyers and lobbyists like being paid  
by for-profit medical schools

# Monetization of a Duty



"To hold him who has taught me this Art as equal to my parents and to live my life in partnership with him...and to teach them this Art - if they desire to learn it - without fee and covenant....."

By what authority does a hospital own the opportunity for students to learn by participating in the care of patients and then, in turn, sell it to a corporation?

By what authority does a hospital own the instructional aspects of a person's illness and its treatment and then sell the observation of it to a corporation?



# Survey of 137 US Medical Schools

Moderate/high/extremely high  
pressure to provide financial  
compensation incentives for new  
clinical training sites in community-  
based settings

MD 67%

DO 93%

What should be done?

1. Support Senate Bill 1374 and House  
Bill 2417, The Foreign Medical School  
Accountability Act

2. Insist that off-shore schools report the fraction of their students who take USMLE within a defined time frame from matriculation, the pass rates for first-time and repeat test takers, and attrition rates

3. Support legislation that only allows federal loans for medical education to go to LCME and COCA accredited schools.

4. Support state action to only permit access to clerkships by schools accredited by LCME and COCA



6. Don't act like it's not your problem.

"Oh...the New York schools are concerned about this. We don't have a problem. All of our students have clerkships at the hospitals in our system. It's not a problem for us."

Thank you