Federal Financial Aid for American Medical Students Attending Offshore Medical Schools: A Good Investment or Bad Medicine for Taxpayers?

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Abstract

In response to the projected physician workforce crisis medical schools, including offshore schools (specifically those primarily located in the Caribbean), have begun expanding their class sizes and opening new schools. Policy makers question whether the federal investment in offshore schools is really worth it to taxpayers given the lower standards for admission, high tuition, high attrition rates, and large student loan debt.

**Cost:** The majority of students attending Caribbean medical schools are American citizens and they rely heavily on student loans to not only fund their medical education, but also to support their personal and living expenses while residing abroad.

**Access:** Offshore medical schools use federal student loans to purchase clinical rotation slots in the 3rd and 4th years of medical training, consequently limiting these slots for U.S. students and creating increased competition for limited residency positions.

**Quality:** Offshore medical schools are accredited by foreign accrediting agencies. Standards for medical education are not transparent and are varied amongst the schools. The offshore schools have lower on-time four-year graduation completion rates and higher attrition rates.

Policy makers should support the *Foreign Medical School Accountability Fairness Act of 2013 (Senate Bill 1822/HR 3903)*, which seeks to gain more oversight, fairness, and accountability for offshore medical schools whose students access federal loans under Title IV of the *Higher Education Act of 1965 (HEA)*.