

Executive Summary

In the past decade, the cost of higher education has risen, resulting in record levels of student debt. For many policy makers, the dramatic increase in student debt raises two concerns. The first concern is that in the near term, new graduates who hold substantial debt may choose not to see low-income patients because of low reimbursement rates from such public assistance programs as Medicaid.¹ A second concern is that the rising costs of education and of student indebtedness may make a dental career appear so unaffordable for future dental school and allied dental program applicants—especially those who are economically disadvantaged—that the entire profession becomes unattractive. To ensure that negative economic factors—facing schools, programs, students, residents, and fellows—do not impact the profession's future, the following challenge has gone out to dental education stakeholders: to take steps to improve the financial position of dental education programs and contain student debt.

With this backdrop, this report outlines the complex financial issues facing dental education programs and the resulting impact on students, residents and fellows, especially in terms of possible implications for decisions upon graduation. Through analysis of recent trends and emerging models, the report explores policies to improve the financial position of academic dental institutions, as well as tools and methods for providing students with information that will allow them to properly prepare for the possible financial challenges of their education and practice.

Dental school leaders surveyed report that tuition and fees keep rising in response to revenue reductions (such as decreases in state appropriations for public institutions), the need to invest in new information technologies, increases in salary and benefits, and increases in parent institution support expenditures. These financial

pressures moderate the ability of these dental education leaders to control costs and stabilize an ever expanding system. This report attempts to better explain the costs of a dental education and resulting student debt in the broader context of higher education and provides recommendations for the American Dental Education Association (ADEA) leadership, its members, and other dental education stakeholders on how to improve the financial position of allied dental education, dental schools and advanced dental education programs. To that end, the report presents:

1. A review and evaluation of the recommendations from the 1999 *Report of the AADS President's Commission on the Cost of Education*,
2. A review of relevant literature and investigative reports,
3. A review of dental education costs and dental school deans' perceptions,
4. The creation of a conceptual model that describes cost and borrowing pressures,
5. A review of borrowing characteristics of students, and
6. A review of the legislative and regulatory environment affecting dental student debt.

The report culminates in recommendations to the dental education community and organized dentistry highlighting the dual need to contain dental educational cost increases and reduce growth in student borrowing. The future attraction of the dental professions and the continued improvement in oral health² may greatly depend upon affirming and carrying out the following six recommendations:

1. Promote financial literacy and ensure that the highest quality financial aid service and counseling is available to prospective and current students, residents, and fellows;
2. Continue to pursue funding for scholarships from stakeholder communities;

3. Continue to promote mission alignment with resource management in academic dental institutions;
4. Explore alternative dental education models;
5. Enhance advocacy partnerships with other dental organizations; and
6. Continue to take a leadership role in representing the interests of ADEA's membership on issues related to the cost of dental education and student borrowing by focusing on the following critical issues:
 - Link federal and state advocacy work to loan repayment/forgiveness programs for new dentists who practice in underserved areas or serve underserved populations;
 - Revise Graduate Medical Education (GME) and Teaching Health Center Graduate Medical Education (THCGME) funding criteria payments biases that favor hospital-based services;
 - Amend the federal rules governing Federally Qualified Health Centers (FQHCs) to acknowledge dental schools as part of the health care safety net.

Access the full report and slide presentation on the ADEA web site, www.adea.org.

Endnotes

- ¹ U.S. Department of Health and Human Services Health Resources and Services Administration. (2005). Financing Dental Education: Public Policy Interests, Issues and Strategic Considerations. Washington, DC: Health Resources and Services Administration.
- ² *Ibid.*