Do Dollars Make Educational Sense?

One recent afternoon, my brother—a pediatrics resident—and I were sitting on a beachside restaurant terrace in La Jolla sipping overpriced cappuccinos. Lost in fantasy, our conversation was reduced to get-rich-quick schemes, which seemed appropriate considering our surroundings. It's easy to lose yourself gawking at the über-rich. Having just finished researching for this article, I was awash with "good" ideas, including opening our own medical school.

Academic medical centers in the United States make and spend vast sums of money. But you may not have thought of them as money-making ventures, since the last domestic generation of for-profit medical schools closed 80 years ago.

The re-emergence of for-profit medical education is a growing topic of discussion among medical educators and education experts. Although the beginnings of for-profit medical education were inauspicious, some more recent for-profit medical schools, such as Rocky Vista University College of Osteopathic Medicine (RVUCOM), hope to become top-notch medical education juggernauts. But despite the promise that some see in for-profit medical education, others are concerned and recall ill-fated for-profit medical schools that thrived in the years before Abraham Flexner changed medical education forever.

The rich history of for-profit medical education

Like baseball and osteopathy, commercial medical education is another American invention.

With the best of intentions, colonial-era medical schools were established to meet a demand for health care in our nascent nation. But soon many medical schools fell victim to disarray and scandal. By the early 19th century, many of the schools were businesses. They lacked clinical and laboratory facilities, relied heavily on didactics and were entrenched in empirical dogma. Facilities were atrocious, unkempt and unsanitary. Ultimately, medical school administrators at such schools were more concerned with paying themselves than reinvesting in their institutions.

For-profit medical schools preyed on young men Flexner called "poor boys," undereducated and impoverished, to fill their classes and coffers. Many of these young men lunged at the carrot of becoming a physician. Men who were once laborers, some not even high-school graduates, gathered what little money they had to pay for an education that was essentially useless.

The "medical educators" running schools catering to poor boy students argued that even if their medical schools were poor, they offered opportunities to young men who would otherwise have no opportunity to become physicians. A shoddy medical education was what their students deserved and were privileged to receive. Still, the poor boys plunked down nearly as much money going to "medical school" as their counterparts who attended better medical schools.

Then, in 1908, the Carnegie Foundation tasked Flexner with evaluating all the medical schools in the United States and Canada. Flexner's North American tour yielded the 1910 publication *Medical Education in the United States and Canada,* a seminal study not only in medical education but education as a whole. With prescience that was genius, Flexner and his report revolutionized medical education. Many medical schools shut down, and the ones that remained were reorganized to concentrate on clinical, laboratory and evidence-based medicine.

Additionally, Flexner's report nailed a stake into the heart of for-profit medical education. Flexner argued that the worrisome state of medical education was in large part due to the stranglehold opportunistic for-profit medical educators laid on the profession. Devoid of what he dubbed "educational and professional patriotism," these profiteers were the root of the problem.

Flexner argued that it was impossible for an effective medical school to survive as a for-profit entity. The cost of the resources needed to facilitate the operation of a medical school—instructor salaries, facilities, maintenance and so forth—far outweighed the amount of money collected from tuition. Medical schools needed to be sustained by universities. Flexner figured that only universities committed to their prosperity—directed by moral imperative—could make the financial commitment needed to make a medical school work.

The return of for-profit medical education

In the 1970s, for-profit medical education was reborn on the sun-drenched islands of the Caribbean. Today, some of the "off-shore" medical schools—mostly located in the Caribbean basin—have thrived and established strong track records.

St. George's in Grenada and Ross University in Dominica are examples of well-established off-shore medical schools. They have competitive

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admissions standards, are accredited by the Caribbean Accreditation Authority for Education in Medicine and Other Health Professions and have secured multimillion-dollar clinical rotation sites in the United States. (Most Caribbean medical students do their clinical rotations in the United States.)

Each year, such schools have high USMLE Step 1 pass rates and contribute hundreds of well-educated physicians to the resident workforce. Such ventures have been so successful that they've attracted big money; corporate backers bolster many of the best Caribbean medical schools. For example, in 2003, Devry Inc., a publicly traded company, bought Ross University for a hefty $310 million.

But these medical schools are the best examples of commercial medical schools. Not all off-shore medical schools can boast of those academic successes. Capitalizing on fears of a projected physician shortage, 24 new off-shore medical schools have opened since 2000 (four of which are now defunct). Some of these medical schools rely on the Internet to instruct students, have inadequate facilities, unvetted faculty, low USMLE Step 1 pass rates and high tuition.

For-profit medical education migrates stateside

Until recently, there were no for-profit medical schools within the United States. The allopathic establishment resisted efforts by both Ross University and Kizgezi International School of Medicine of Uganda to set up commercial medical schools on U.S. soil. Allopathic medicine supports a culture of research, and the Liaison Committee on Medical Education, which accredits and oversees allopathic medical schools in the United States, assumes that any prospective medical school will be associated with a not-for-profit university. (Not-for-profit universities are eligible for the federal funding necessary for many large National Institutes of Health research grants.)

Traditionally, osteopathic medical schools have been less interested in research and dedicate most of their resources to education. This is one reason why the American Osteopathic Association (AOA) will consider a

One hundred years after Flexner killed for-profit medical education in the United States, will it make a comeback?


Rocky Vista University College of Osteopathic Medicine

for-profit medical school. In 2007, the AOA provisionally accredited RVUCOM, the first for-profit medical school in the United States since the last one closed in 1930—no doubt the final victim of Flexner's report. RVUCOM should be fully accredited by the time its first class matriculates in 2012.

In an attempt to mitigate the resulting disquiet expressed by concerned osteopathic physicians, then-AOA president Peter B. Ajluni, D.O., defended the AOA's decision in a blog posting: "We must remember that 'for-profit' and 'not-for-profit' refer to the business model of an institution and not to its curriculum. Its curriculum will be held to the same high standards as the not-for-profit schools."

The accreditation of RVUCOM stirred the medical profession. Some medical educators are dismayed by the prospect of a for-profit medical school. Others are indifferent. Interestingly, some allopathic medical educators view RVUCOM and other potential well-organized and effective commercial medical schools as healthy competition.

Designing a for-profit medical education

RVUCOM, formed in 2006, welcomed its inaugural class in 2008. Located in Parker, Colorado, a Denver suburb, RVUCOM has a scenic locale. The school consists of approximately 145,000 square feet of educational space steeped in comfort and ergonomics, aesthetics and design. The campus is completely connected and technologically optimized, including state-of-practice Internet and audiovisual equipment. Additionally, RVUCOM houses the best anatomy labs, osteopathic manipulative medicine labs and patient simulators money can buy. Lastly, the tuition and admissions criteria (grades, MCATs and so forth) are comparable with other osteopathic medical schools. Of note, students at RVUCOM are not yet entitled to federal loan money for education and won't be until the school is fully accredited in 2012. Currently, students fund their education using a combination of private loans, scholarships and their own money.

"The school is like a piece of art," says Kathie Horrace-Voigt, D.O., a newly minted family medicine physician who recently took a tour of the facilities. "It's not [austere] at all. It's multicolored with warm earth tones, lots of windows, lots of study areas."

Additionally, the ownership wooed osteopathic and education leaders and what they consider to be the best osteopathic and basic medical sciences faculty in the country. Dr. Bruce Dubin, an innovative osteopathic educator best known for his "applications-based" curriculum work as former dean of the Texas College of Osteopathic Medicine, is the dean of RVUCOM. Robert R. Roehrich, a for-profit higher education expert with 25 years of experience in the field, is the executive director of assessment and planning.

RVUCOM is owned by Yife Tien, whose father, Paul Tien, owns the American University of the Carribean (AUC). (RVUCOM strongly denies any association—educational or otherwise—with AUC.) Yife Tien's wife, Lucy Chua, M.D., sits on the board of trustees at RVUCOM. Paul Tien loaned his son $30 million to build RVUCOM.

"Yife Tien," says Roehrich, "has made a very solid and enduring commitment to not only funding [the development] of this institution but also seeing this institution grow and expand." Ostensibly, Yife Tien will invest as much money as needed until RVUCOM is secure and returns a

The Flexner Report: *Medical Education in the United States and Canada*

This year marks the centennial anniversary of the Flexner Report. A little more than 100 years ago, Abraham Flexner (a one-time schoolteacher and prep school proprietor) set out on a monumental and furious task: evaluating all 155 medical schools in the United States and Canada in less than a year. Flexner evaluated each medical school based on admissions requirements, faculty size and qualifications, finances, laboratory facilities and hospital association.

Ultimately, Flexner recommended that many of the worst medical schools be shut down. He pressed for the training of fewer physicians who were better educated. He also stressed the importance of admissions qualifications, laboratory study and hospital association. Flexner saw the curriculum at the Johns Hopkins School of Medicine, anchored in European design, as the standard by which to judge all medical schools. His recommendations paved the way for modern medical education.

The report does have its critics. Such critics call attention to Flexner's lack of expertise (Flexner was neither a physician nor a medical educator), lack of standardized methods when evaluating medical schools, hasty evaluation of individual medical schools, and questionable motives and possible personal bias.

Dr. Charles W. Sanders, head of the Department of Humanities in Medicine at Texas A&M's medical school, puts the Flexner Report in perspective. "There was no accreditation process in medical education," says Sanders. "Flexner said there should be standards—the Flexner Report gave some gold standards to medical education that weren't there in the past."

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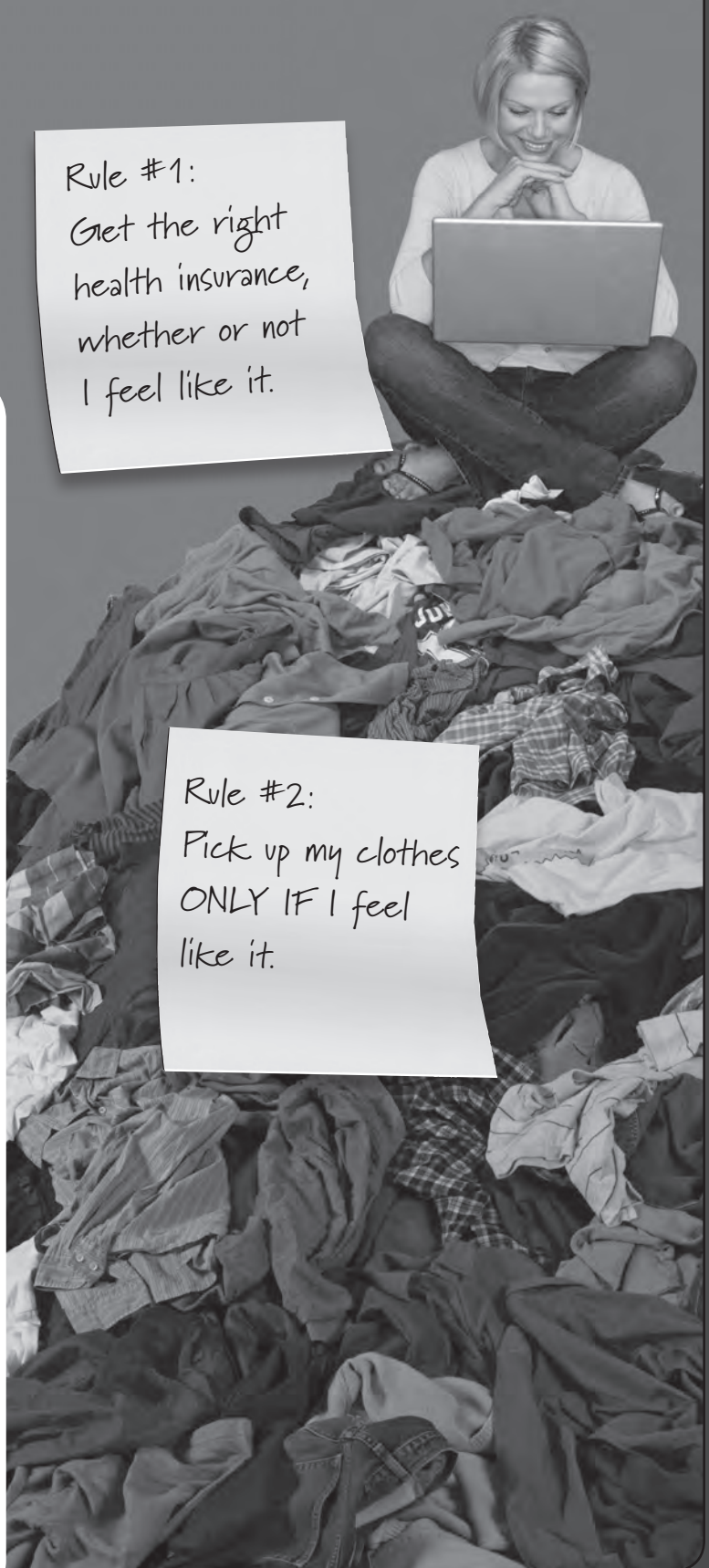

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profit. (Yife Tien declined to be interviewed for this story.) And if AUC, Paul Tien's medical school, is any indication, margins can be as high as 20 percent—this can mean millions of dollars.

Roehrich says that RVUCOM differs from other medical schools because it pays taxes, receives no state subsidies, and is privately owned and controlled. Additionally, Roehrich stresses that RVUCOM's private ownership makes the institution more dynamic, responsive to change and able to actively attract the best faculty and staff in the country.

"The ownership and the board of trustees of this institution," Roehrich states, "are strongly committed to ensuring the best quality of medical education that's possible before they are concerned about profit." Additionally, the ownership, leadership and faculty at RVUCOM insist that they are intent on contributing to the health care of Colorado and other Western mountain states, marked by a paucity of primary care.

White coat ceremony at RVUCOM

"It's not how you list your tax status on a piece of paper," says Dubin, who also holds a law degree. "It's the investment in terms of quality education and the outcomes that are produced by that education."

Dubin doesn't see the for-profit practice plan as any different from practice plans already in place at not-for-profit medical schools. "All medical schools look at optimizing income," says Dubin. "We're probably more intellectually honest than some nonprofit medical schools."

"We can provide high-quality medical education in a for-profit sector," he asserts. "And we can do it as well, and probably better, than in a not-for-profit sector."

Both Dubin and Roehrich see great opportunity at RVUCOM—a chance to establish the first successful modern for-profit medical school in the United States. Both men feel that the establishment of RVUCOM reflects not only a move in higher education toward a for-profit model but also the economic realities of today's world.

The establishment of RVUCOM can be considered an educational "experiment." Roehrich says that there will be others in the future "who probably model what we do here and probably improve on it."

Dubin cautions others to reserve judgment until the for-profit "experiment" at RVUCOM produces results —quantifiable outcome measures such as board scores, match statistics, and information on eventual job placement of graduates.

Phoenix or coal-mine canary?

George Mychaskiw II, D.O., is the anesthesiology chair at Drexel University, an osteopathic leader and a Colorado native. Mychaskiw is wary of for-profit medical education, and he was the first educator to call public attention to RVUCOM's accreditation by the Commission on Osteopathic College Accreditation (COCA) and the AOA. He feels the advent of RVUCOM was veiled in surreptitiousness.

"Until I started turning over rocks and putting things on the Internet," says Mychaskiw, "[the AOA was] very careful to not make any mention of the connections between Rocky Vista, Tien and AUC. It was so disingenuous."

Despite assertions from RVUCOM's representatives about their primary mission or duty, Mychaskiw believes RVUCOM, like all for-profit institutions, is driven fundamentally by concerns about profit. "If you're

for-profit, you have a duty to make money for your investors," Mychaskiw says. "If you're not-for-profit, you have a duty for the highest quality of education and where you strike that balance." Mychaskiw also questions RVUCOM's claims that it wants to build a medical school in order to make a significant contribution to primary care in the Colorado region. He predicts that few RVUCOM graduates will practice medicine in the parts of Colorado most in need of health care.

Mychaskiw feels that a for-profit medical school requires especially rigorous attention because there's a "temptation to cut corners and not invest in research and education." He feels that the AOA and COCA lack perspective and judgment when making such important accreditation and oversight decisions. "The watchdogs," Mychaskiw says, "are not educational professionals. They are people who have worked into the ranks and been appointed to COCA. And they may or may not be actively involved in academic medicine." (Media affairs specialists at the AOA didn't respond to an invitation to interview for this story.)

Mychaskiw also worries about what the opening of a for-profit school could mean for the osteopathic profession. He is particularly concerned about what he sees as a possible "Caribbean gold rush"—a dramatic increase in the number of osteopathic medical schools funded by proprietors of Caribbean for-profit medical schools intent on making a profit.

"Osteopathic medicine," Mychaskiw says, "has struggled for years and years to establish itself as delivering safe and competent care." He also stresses that this move toward for-profit osteopathic education "cheapens" the profession.

To Mychaskiw, it's imperative that research on for-profit medical education comes through. "Is a medical school," he muses, "the same as an airline or some other for-profit entity?"

Despite opposing views on the intentions and viability of both for-profit and not-for-profit medical schools, only time, and the outcomes, will ultimately tell. TNP

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