FINANCING MEDICAL EDUCATION
An Analysis of Alternative Policies and Mechanisms
RASHI FEIN AND GERALD I. WEBER

This monograph is concerned with the sources of funds for medical education in the United States, with particular attention given to current and future roles of government. Because of data limitations, the emphasis is on medical schools; graduate medical education in teaching hospitals receives little space. There is some discussion of how the type of financing influences the functioning of the medical school and one chapter is devoted to the socioeconomic characteristics of medical students. The book contains 35 tables, many of which are of considerable interest. They are difficult to use, however, because they are not listed in the table of contents.

The authors do provide a convenient summary of their “major arguments and analyses;” most of their 27 points are related to a few central subjects. One frequently repeated theme is that medical schools differ. They differ as to expenditures per student, sources of funding, characteristics of students and type of physician trained. A second theme is that sponsored research accounted for more than half of the total increase in medical school receipts between 1947 and 1967 and that this shift in source of funds has had adverse effects on medical education. Another point that receives considerable attention is the
tendency of medical students to come from the higher socioeconomic groups. A fourth theme is that the nation does not train enough physicians and that the federal government is the logical agency to remedy this deficiency.

The summary is followed by a number of policy recommendations addressed to the structure and method of financing, the sources of support and the purposes for which support should be made available. The authors believe that more aid should be provided by the federal government to (1) increase the total number of physicians trained; (2) alter the socioeconomic characteristics of students who attend medical schools; (3) modify the geographic differences in medical education and practice; and (4) strengthen the hand of the deans and others who have primary responsibility for medical education vis-à-vis those faculty members who are primarily interested in research. In general they favor a combination of direct aid to schools and subsidies to students based on parental income. They do not offer detailed legislative recommendations or administrative procedures nor do they provide detailed cost estimates for the policies they propose.

The book is well organized and well written. It provides some new information plus useful restatements of familiar material. The authors, who are both economists, clearly know a good deal about the institutional aspects of medical schools and medical care. It is, however, in some respects a disappointing book. One reason is that the concluding policy recommendations do not flow from any systematic empirical analysis. Moreover, the underlying theoretical and conceptual framework does not seem adequate for the complexity of the problems being addressed.

For instance, how is one to evaluate the argument concerning the heterogeneity of medical schools? No comparisons are made with other types of professional and graduate schools; casual observation suggests that medical schools are already more homogeneous than most. Moreover, what do we really know about the optimal amount of homogeneity? Or consider
their argument concerning the need to increase the heterogeneity of medical students. This seems to be based in part on the hypothesis that medical students who come from low-income families will, when they are physicians, better understand the medical problems of low-income people and behave in a more "socially responsible" manner. No evidence is presented to support this hypothesis. The other reason given is the desirability of providing more equal opportunity to young people regardless of family situation. This is an important and worthwhile objective but one would like to see how well it is served by subsidizing an expensive (and highly rewarding) professional education for a limited number of poor students as opposed to improving general educational opportunities for a much larger number. The case for increasing the number of physicians is not made in convincing fashion and the comments regarding the harmful effects of research funds are unsupported by anything resembling systematic analysis.

The authors reveal an awareness of these shortcomings. They point out that we know little about what physicians actually do and about the contribution they make to health. We know even less about the production process that turns a first-year medical student into a physician. They also state in the introduction that major changes in health care delivery systems are possible and that such changes would alter the number and type of physicians needed. The recommendations, however, seem to have been formulated without regard to any vision of what the physician of the future should be like and how care should be delivered. In this respect the recent report by John S. Millis\(^1\) speaks with more logic and force although it contains even less economic analysis than the volume by Fein and Weber.

The authors were apparently asked to provide "an analysis of alternative policies and mechanisms" (the subtitle of their book)—this was probably an impossible task. We are so far from knowing the consequences of policies we are currently pursuing that predictions about alternative policies must be
highly speculative. Under the circumstances the recommendations, sensible though some of them may be, are likely to appeal only to those who already hold similar views. The hard task of developing a rigorous theoretical and empirical base to guide policy remains for the most part ahead.

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