



## **Fighting Increases in Medical School Tuition**

### The AMA and the *Kashmiri* case

#### **Background**

The *Kashmiri* case originated in 2002, when the University of California (UC) system began raising tuition (in some cases retroactively) despite a promise that tuition for professional degree programs would not increase for the duration of a student's enrollment. Mo Kashmiri, a UC-Berkeley law student, and other students filed a class-action suit, arguing that the tuition increases were a breach of contract (*Kashmiri v. Regents of the University of California*).

In 2006, a judge ruled in favor of Kashmiri and the other plaintiffs, awarding them ~\$34 million. UC immediately appealed the decision to the California Court of Appeals. In response to policy originating in the MSS (MSS Res Late 1, I-04), the AMA Litigation Center on behalf of the American Medical Association and the California Medical Association filed an amicus curiae ("friend of the court") brief in support of the students. In the amicus brief, the AMA and CMA emphasized that increases in medical school tuition exacerbate medical students' already steep debt burden and can worsen physician shortages in underserved geographic areas and medical specialties, often disproportionately affecting certain minority populations. The brief pointed out the disincentive aspiring medical students face if they are required to assume not only the tuition and other expenses determined at the time they enter school but also subsequent, unexpected increases. The brief was accepted by the court in May 2007.

- Read the [amicus curiae brief](#) (PFD, 188KB) and AMA [press release](#)
- Read the original [MSS Resolution](#) (next page)

On September 19, 2007, a three-justice panel of the California Court of Appeal heard oral argument of the parties in *Kashmiri v. Regents of the University of California*. In this case, plaintiffs, professional school graduate students (including medical students) at the University of California, challenged certain tuition increases imposed on them by UC. The students argued that increases to professional degree and educational fees were in breach of explicit promises UC had made to the students.

#### **Latest News**

On November 2, 2007, the California Court of Appeal resoundingly affirmed the March 2006 judgment of a San Francisco County court by finding that implied contracts were formed between the UC and its professional students and that those contracts were breached when the university raised its professional degree program fees for continuing students after promising on its website and in its catalogues that such fees would not be raised for the duration of the students' enrollment in the professional program. Increases would only apply to new entering students and would then be fixed for the balance of their degree program. The appellate court refused to reduce the damages awarded by the lower court (approximately \$28 million plus prejudgment interest) by the amount of grants provided by the UC to the affected students.

AMERICAN MEDICAL ASSOCIATION MEDICAL STUDENT SECTION

Late Resolution: 1  
(I-04)

Introduced by: Alex Ding, University of California, San Francisco; Stephen Goutman, University of Chicago; Adam Levine, University of California, San Francisco; Alik Widge, University of Pittsburgh

Subject: Legal Injunction on Medical School Tuition Increases

Referred to: Reference Committee A

WHEREAS, medical education debt continues to rise faster than inflation<sup>1</sup>; and

WHEREAS, unrelenting tuition increases are the principal contributor to rising debt<sup>2</sup>; and

WHEREAS, some state-affiliated medical schools have imposed mid-year and/or retroactive tuition increases on their students; and

WHEREAS, such increases make responsible financial planning impossible, since no student can predict what his/her total education costs will be for the year; and

WHEREAS, our AMA currently opposes the imposition of mid-year and retroactive tuition increases (H-305.934); and

WHEREAS, CME Report 3 (I-03): "Strategies to Combat Mid-year and Retroactive Tuition Increases" found that, if specific legal criteria are met, "there may be grounds to argue that a retroactive tuition increase is a breach of contract."; and

WHEREAS, in July of 2003, students filed suit against the Regents of the University of California alleging "that UC breached contracts it made about the price required for the Spring 2003 semester when it increased fees after students had already signed up for classes and received a bill for the semester"; and

WHEREAS, on August 12, 2004, the San Francisco Superior Court entered an Order granting preliminary injunction against the University of California in a lawsuit entitled *Kashmiri, et al. v. Regents of the University of California*<sup>3</sup>; and

WHEREAS, the Order prohibits the University of California from enforcing or collecting any increases in the professional degree fee during the 2004-2005 academic year above the amount that each student was charged during the 2003-04 academic year; and

WHEREAS, the preliminary injunction has already prevented a proposed fee increase for students at the five University of California medical schools from going into effect for the 2004-2005 school year; and

WHEREAS, the University of California has recently announced its plans to appeal this injunction, with the trial scheduled to begin on May 2, 2005<sup>4</sup>;

WHEREAS, the Regents of the University of California intend to retroactively assess the full original fee if they are successful in their appeal and litigation<sup>4</sup>; therefore be it

RESOLVED, that our AMA-MSS and our AMA support the use of legal injunctions to block mid-year and retroactive medical school tuition or fee increases; and be it further

RESOLVED, that our AMA offer an amicus brief in support of the plaintiffs in Kashmiri, et al. v. Regents of the University of California; and be it further

RESOLVED, that this resolution be forwarded to the AMA House of Delegates at I-04 due to its time-sensitivity and the imminent start of the appeals trial.

#### **References:**

1. AMA-MSS Task Force on Medical Education Debt, 2004 Update to 2003 Report.
2. AMA-MSS Task Force on Medical Education Debt, 2003 Report of the Task Force.
3. Order available at <http://www.educationisaright.org/PrelimInjunction.pdf> .
4. Summary statement of the Regents of the University of California, available online at [http://www.ucla.edu/evc/issuesnews/kashmiri\\_injunction.html](http://www.ucla.edu/evc/issuesnews/kashmiri_injunction.html) .

#### **Relevant AMA Policy:**

##### H-305.934 Medical School Tuition Increases

Our American Medical Association opposes the imposition of mid-year and retroactive tuition increases at both public and private medical schools. (CME Rep. 2, I-02; Reaffirmed: CME Rep. 3, I-03)

##### D-295.978 Mid-Year and Retroactive Medical School Tuition Increases

(1) Our AMA work with the Association of American Medical Colleges to discourage assessment of mid-year and retroactive increases in medical school tuition and fees.

(2) Our AMA encourage state and county medical societies to develop policy and lobby state legislatures to help minimize medical school tuition increases in public or officially-designated state medical schools.

(3) That medical schools provide entering students with an estimate of their future tuition costs and fees, possibly based on past history of the schools tuition.

(4) Our AMA report back to the House of Delegates at the 2002 Interim Meeting on its progress in limiting mid-year and retroactive tuition increases. (Res. 312, I-01)

##### D-305.988 Strategies to Address Medical School Tuition Increases

Our AMA will: (1) monitor proposals for medical school tuition increases and continue to work with the AMA Medical Student Section and other student groups, along with state and county

medical societies, national medical specialty societies and the Association of American Medical Colleges (AAMC) to address the serious issue of rising tuition and medical student debt and to oppose any mid-year or retroactive tuition increases;

(2) encourage medical schools to alert students of the probability of escalation of tuition costs and provide entering students with an estimate of tuition costs for the four years;

(3) encourage federal and state agencies to review and expand options for financial aid (scholarship and loan repayment programs) for medical students, resident physicians, and young physicians by developing programs that address areas of existing and emerging national and local need;

(4) continue to encourage medical schools to provide yearly financial planning/debt management counseling to medical students and the institutions that sponsor residency training to make available similar services for resident physicians;

(5) encourage and work with medical schools to broaden their fundraising activities directed at obtaining revenue for medical student scholarships or for capping/decreasing tuition;

(6) continue to work for a stable funding mechanism for undergraduate medical education;

(7) monitor and report to the House of Delegates at regular intervals, beginning in June of 2004, on progress in limiting medical school tuition and in developing mechanisms to reduce student debt; and

(8) help develop specific strategies to address the problem of mid-year and retroactive tuition increases, and report back at the 2003 Interim Meeting. (CME Rep. 2, I-02; Reaffirmation I-03)