

# Section I

## CASE STUDIES WITH ANSWERS

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*This chapter offers practical advice and case studies to help you set up a realistic budget, manage your money, select insurance, and balance your personal and professional goals.*



**Lindsey and Rob are fourth-year medical students who plan to get married before starting residency. They want to attend programs in the same location, but don't know if this is possible. They are both 26 years old and are also thinking about having children. They've been to information sessions with residents who have children and heard their classmates talking about the challenges of parenting during residency. Lindsey and Rob both have some questions.**

### Are there any strategies for a couple to match to residency programs offered at the same location?

Lindsey and Rob are excited to read about the Couples' Match on the CaRMS website: [http://www.carms.ca/eng/r1\\_ranking\\_couples\\_e.shtml](http://www.carms.ca/eng/r1_ranking_couples_e.shtml).

This match is not restricted to people who are married, but anyone who wants to be with someone else — a friend, relative or serious relationship partner — during residency. Upon completing the Rank Order List, applicants can designate themselves as part of a couple by emailing CaRMS and noting their status in the Applicant Webstation. This distinction is not permanent; applicants can later remove themselves from the Couples' Match. A complete set of instructions on participating in the Couples' Match, as well as match statistics, can be found on the CaRMS website.

### How will Lindsey manage to do call in her first and third trimesters?

During the first trimester, pregnant residents may struggle with morning sickness, making call responsibilities tougher.

Residents who had children in residency suggested trying to arrange for rotations with light call duties during both the first and third trimesters, avoiding such rotations as ICU and Team Medicine.

In some provinces, a pregnant resident is exempt from call during the third trimester after 31 weeks. This may be earlier in some residency programs, such as Obstetrics. However, this exemption can occur earlier in the pregnancy if the resident's physician deems it necessary. Even though duties may be lighter, residents who had babies cited that a lack of sleep even without call affected their abilities to function at work.

### How much time can Lindsey take off work if she has a baby? Can Rob take paternity time when their child is born?

Parental leave time for residents varies from province to province. The time allowed for maternity leave is as follows:

Province	Required length of pregnancy leave	Maximum length of pregnancy leave
<i>Newfoundland and Labrador</i>	N/A	Up to one year
<i>Maritime Provinces</i>	17 weeks	1 year
<i>Quebec</i>	15 to 18 weeks	1 year
<i>Ontario</i>	17 weeks	1 year
<i>Manitoba</i>	N/A	26 weeks
<i>Saskatchewan</i>	18 weeks	1 year
<i>British Columbia</i>	17 weeks	1 year

The decision to take more time than required is up to the individuals, although they may feel pressure from their staff, because they want to prepare the resident for board examinations, and their fellow residents, because they want the resident back on the call schedule.

Paternity leave ranges from five days in Saskatchewan to three to five weeks in Quebec. Rob could talk with the program director and arrange vacation around the expected due date so that he can spend some time at home once the baby is born.

### Will having a baby during residency mean that it will take Lindsey longer to finish her residency program?

In general, residents are forgiven the required pregnancy leave length but are expected to make up any extra time taken.

However, residents may feel pressure from the Royal College and their program directors to make up all time in order to be best prepared for board examinations.

### What are some advantages to having a child while in residency rather than while practising?

There are a number of advantages:

- › **Financial.** Residents are paid 75% of their pay through Post-graduate Medical Education and Employment Insurance (EI) during the first six months of leave. After six months, they receive only EI. In practice, there are programs like the OMA Pregnancy and Parental Leave Program, where a physician can be paid up to 50% of average fee for service billings or \$1,000 per week, whichever is higher, for a maximum of 17 weeks.
- › **Finding a replacement.** Residents do not have to worry about finding coverage for their practice, whereas practising physicians will need to find someone to care for their patients.
- › **Maternal age.** Residency is now longer. Postponing pregnancy until you finish may mean the pregnancy is not as safe for mom and baby.
- › **Guaranteed time off in residency.** In residency, provincial contracts dictate how residents are paid and how much time off they can take. In practice, these decisions may need to be negotiated with colleagues, and you will be at the mercy of their decision.
- › **Career planning.** When residency is completed, new physicians may want to establish their practice. This would be difficult if they wanted to take time off at the beginning of their career.

### What are some options to make return to work easier?

Some suggestions include:

- › Part-time training: work one month, take one month off.
- › Start with lighter rotations.
- › Hire a nanny.
- › Build a strong support system at home.

### Should Lindsey factor pregnancy into the decision of what residency program she chooses?

Some residents feel that non-surgical specialties are more accommodating of having children in residency. However, other residents feel that any residency program is manageable with pregnancy, and this should not be factored into career planning decisions.

In particular, provincial agreements differ, so it may be helpful to review which provinces are more supportive of pregnant residents in choosing the location of the residency program.

### How can Rob and Lindsey prepare financially so that they can take as much leave as possible?

As parents, Rob and Lindsey may qualify for a number of benefits and tax deductions available from the federal government. These include:

- › **Universal Child Care Benefit.** This federal payment of \$100 per month is paid to every Canadian family for each child under the age of six. Payment is not automatic; they will need to apply for it.
- › **Canada Child Tax Benefit.** *This monthly non-taxable benefit is available for families with low and moderate incomes (less than \$40,970 in 2011).* The maximum benefit is \$112.33 per month for each child under the age of 18 in all provinces except Alberta, where it is \$103.00 for children under seven. If a couple's income is less than \$23,855, they'll also qualify for the National Child Benefit Supplement, which is a maximum \$174.00 per month.
- › **Child care expenses.** In addition, their child care expenses will be deductible, to a maximum of \$7,000.

So the tax breaks will provide some relief and, as mentioned above, Lindsey will be able to receive Medical Education and Employment Insurance payments, to make up for some of her lost income.

If they have personal resources, they could tap into those as well. For example, if Lindsey has been saving in an RSP, she could take money from there. While withdrawals are taxable, if she has little other income her marginal tax rate should be quite low. Withdrawals from her spousal RSP are another option, but only if Rob has not made any spousal contributions in the year of the withdrawal or the two preceding calendar years. Otherwise, the withdrawals would be attributed to him for tax purposes.

If Lindsey and Rob have an investment portfolio or own real estate, they could consider selling assets to generate cash flow. However, any capital gains resulting from the sales would be taxable.

# I-2 CASE 2 – OVERWHELMED WITH DEBT

Ruth, a third-year medical student, sits down one night to open her mail. She opens her bank statement. She can't believe that after three years she's already accumulated \$120,000 of debt and has heard rumours of unforeseen costs in fourth year. The reality of having \$150,000 in debt sinks in. She is feeling completely overwhelmed by debt.

**Are the rumours that Ruth has heard true? What are the unexpected costs that she may need to cover in fourth year?**

Yes, there are some extra costs associated with completing fourth year. Extra costs of fourth year can include applications, travel, and housing associated with electives, the CaRMS application, and writing the MCCQE Part I. Costs associated with electives and CaRMS vary widely, depending on how many electives are chosen and the number of programs to which a person applies. A breakdown of extra costs accrued in fourth year is as follows:

## Electives

Highly variable expense. Need to consider cost of application to do elective, housing if not at your university, and travel costs.

## CaRMS

Registration Fee + 4 Programs (tax not included)	\$205
Each Additional Program	\$20
Packages for References	\$100
Interviews (Flight, Hotel, Food, etc.)	\$3,000
	<b>\$3,265</b>
<b>MCCQE Part I (Licensing Exam Part I)</b>	
Registration Fee	<b>\$680</b>

**Total = \$4,000 + cost of electives**

**What steps/plans/budgeting should she do now to ensure minimal addition to her debt load?**

Ruth needs to remember that her situation is not exceptional. Almost all medical students acquire debt as they get the education they need to become qualified. Before heading into fourth year, she should apply for any bursaries and scholarships for which she's eligible. Even if the amount is small, it's still beneficial.

To ensure she adds as little as possible to her existing debt load, she would be well advised to sit down with a professional, such as an RBC Student Champion, to create a personal budget that makes the most of her unique situation and that reflects her current expenses and any income. This will give her an opportunity to spot possible areas where she could be economizing. Once she knows what her fourth-year costs are going to be, she can amend her budget accordingly.

One of the easiest ways to go astray is to get caught up in credit card debt. If Ruth is carrying a balance on her credit cards, she could be paying interest as high as 28% a year. A much more effective solution is to take out a loan or line of credit at a

much lower interest rate, pay off the credit cards, and then focus on reducing the loan or line of credit.

In fact, most financial institutions have special lending programs for medical and dental students, which have high limits and low interest rates. This should be the first option for financing, but any existing loans that are outstanding will reduce the available credit for studies, so by combining them into one credit line borrowing costs and monthly payments can be reduced.

**How will she afford to repay her loans during residency?**

While Ruth is a medical student, and for 12 months after graduation, she will likely only have to pay the interest costs on her loan, under a special arrangement that most financial institutions have with students.

As a resident, with income coming in, Ruth should be able to start chipping away at her accumulated student debt. Again, the best way to determine what she can comfortably pay is to track all her expenses and income and create a personal budget.

Once she knows how much she can afford to dedicate to debt repayment every month, she should set up automatic transfers so that amount is automatically moved from her bank account to her outstanding debt.

**She overheard some classmates mentioning something about saving receipts for income taxes. Why would they do this?**

As a student, Ruth can claim tuition, education, and textbook tax credits. However, she may not have sufficient income to be able to use up all the credits to which she's entitled. She can carry forward up to \$775 in combined federal credits and use them to reduce her income tax in a later year.

## I-3

# CASE 3 – WHO HAS MORE DEBT? A COMPARISON OF TWO-YEAR, FIVE-YEAR AND SEVEN-YEAR RESIDENCY PROGRAMS

**Tyler, a fourth-year medical student, is still undecided about his future career choice. He's thinking about Family Medicine, Endocrinology specializing in Pituitary and Thyroid Disorders, or General Obstetrics. He accumulated \$160,000 of debt over the course of his medical training. Coincidentally, this is the average amount of debt acquired by Canadian Medical School Graduates. He heard that some of his classmates were considering Family Medicine because of the shorter training time to pay off their debt more quickly.**

**What would his financial situation look like if he did a five-year residency plus a fellowship, a five-year residency, or a two-year residency program?**

The answer depends largely on how much debt Tyler already has, where he does his residency and fellowship, and what his expenses are during those years.

Residency and fellowship salaries vary from province to province. But if we assume that Tyler will be doing his residency and fellowship in Ontario, here is what he can expect in terms of pay:

#### Residency salaries in Ontario

	Effective August 1, 2010
PGY1	\$50,064*
PGY2	\$58,439
PGY3	\$61,990
PGY4	\$66,189
PGY5	\$70,584
PGY6	\$74,715
PGY7	\$77,667
PGY8	\$82,063

A fellowship in Ontario would pay about \$70,000 per year, but that figure can vary depending on the field in which Tyler would choose to work.

If Tyler were to enter into practice after a two-year residency, for instance, he would begin earning more than a third-year resident. However, if he were to choose a specialty that required a five-year residency, and also did a fellowship, his eventual earning power would likely be higher than if he had done just a two-year residency.

As you can see, there is no simple answer as to which pathway will be the most financially rewarding for Tyler.

Similarly, there is difficulty generalizing Tyler's situation to medical students nationwide. However, three factors have been suggested that may contribute to the rate at which one's debt load can be cleared. In order to identify the impact these factors can have on making a comparison between length of residency programs, a thorough analysis is suggested. RBC Student Champions are able to help with such an analysis.

Lastly, this case is an example of the importance of understanding the relative importance of each key factor relevant to making your own career decision.

**Alex has just started his residency in Ophthalmology and is considering subspecializing in treating Glaucoma. Alex is excited about starting his residency but wonders what is required to subspecialize within a given specialty.**

**What are the steps he needs to take to specialize in Glaucoma?**

Alex goes to talk to the Program Director of Ophthalmology and learns that he will need to do a fellowship in Glaucoma. Through this conversation, he learns that a fellowship is a way to obtain further training within a given area of specialization.

Fellowships are usually associated with a decision to practise academic medicine in most cases. In some programs, such as vascular surgery, a fellowship is required in addition to finishing an accredited residency program. However, in Alex's case, completing a fellowship may allow him to choose an area of specialty. For example, new Radiologists may enter fellowships based on anatomical divisions (e.g., Abdominal Radiology) or techniques (CT or MRI) that may not offer an accreditation or certificate, but rather allow them to practise in a more specialized field. In addition, by doing a fellowship in Glaucoma, Alex can tailor his practice to treating glaucoma and providing more specialized care.

From a practical standpoint, new graduates may discuss job opportunities at an academic centre and decide to complete a fellowship in that area. For example, a new ENT resident may discover that the department he is interested in working in is interested in hiring a specialist in endoscopic skull-base surgery. The resident may pursue a fellowship in endoscopic skull-base surgery and return to that academic institution for employment.

There are research fellowships and clinical fellowships as well as fellowships that combine both research and clinical work. In general, fellowships can take from a few months (in Family Medicine) to three years.

In order to begin a clinical fellowship program, such as a Glaucoma fellowship, Alex must have a certificate authorizing postgraduate education as well as a source of funding. Some institutions provide funding while others expect applicants to find their own. Alex may have to submit an application during the summer or fall (depending on the program) the year before he intends to start the fellowship. Alternatively, a fellowship may be arranged based on a phone call or matching service.

**Will Alex be in a different city for his fellowship?**

Alex could be in a different city, depending on where there are openings for Glaucoma fellowships the year he finishes the Ophthalmology program. He's best advised to attend the best Glaucoma fellowship program, no matter where it is located, in order to make him a competitive job candidate upon completion of the fellowship.

**Andy is a third-year medical student. His wife is a third-year law student who will be entering the workforce next year. They have talked about having a family but have decided to wait until they are more established in their careers. Andy has gone to many information sessions about various types of insurance he should look into, but didn't really think he needed any of it. Andy decides he'd rather not obtain any disability insurance because he is young and healthy and thinks the chances of him becoming disabled are small. Andy does an Internal Medicine rotation and unfortunately sticks himself with a needle that he used to inject an HIV-positive patient. What should he do?**

First, Andy should immediately speak to the doctor in charge and explain what happened. He should tell the doctor the patient's name so the doctor can proceed with getting consent for a blood sample to determine HIV and hepatitis serology. The doctor will also consult an Infectious Disease physician.

Within two hours of the needlestick, Andy should go to Occupational Health (if the event occurred during the work day) or the Emergency Room if the event occurred after hours. Blood will be drawn to test for HIV or hepatitis serology.

Infectious Disease will perform a risk analysis to determine the likelihood of infection transmission, taking into account such factors as the depth of the needlestick, the bore of the needle and patient characteristics. If there is a high risk of HIV infection, Infectious Disease may recommend a post-exposure prophylaxis cocktail; however, it is up to Andy to decide whether or not to take it. The cost of the cocktail is covered by Worker's Compensation. Common side effects include nausea, vomiting, and diarrhea, which may make it necessary to take one to three weeks off work. If the patient is known to have HIV/AIDS, the Infectious Disease physician may prescribe their treatment regimen to Andy.

Blood will be drawn over the next six months to ensure Andy does not seroconvert.

If the patient has Hepatitis B, Andy should be protected through Hepatitis B immunizations. To ensure Andy has an appropriate immune response, antibody titres may be drawn. A booster immunization may be given to prime the immune response if the titre is low.

The time following a needle-stick injury can often be an emotional one. Andy may receive support from Occupational Health or the Education Assistance Program. A referral to an immuno-compromised clinic is another potential source of support.

### **Will Andy be able to work if he is HIV- or Hepatitis B- or C-positive?**

Andy will be able to work; however, in some provinces he has an ethical obligation to inform the Provincial College of his status if he performs high-risk procedures. These include digital palpation of a needle tip or sharp object in a body cavity (e.g., major abdominal, vaginal, cardiothoracic or orthopedic operations), repair of major traumatic injuries or cutting/manipulation in the oral cavity. The college would then review whether any practice modifications are necessary. Failure to

notify the college would be considered unprofessional. In most cases, the physician will decide to practise a different area of medicine. Further information can be found at <http://www.cpso.on.ca/policies/policies/default.aspx?ID=1474>.

### **Will he still be eligible for disability insurance?**

After being stuck with a needle, there may be a waiting period prior to Andy's being approved for coverage. The insurer will also need reassurance that he is not HIV positive.

### **What happens if he is diagnosed with a serious illness during his residency or career? Is there a type of insurance that would allow him to pay off his student debt?**

If the insurance was purchased prior to becoming ill (and prior to the needle incident), he could pay off his student debt under the RBC Insurance "student limits." Critical illness insurance would provide a lump sum benefit if Andy is diagnosed with a serious illness; this is paid regardless of whether or not Andy can work/earn an income. Disability insurance would provide a percentage of income replacement if the serious illness prevented Andy from working.

### **What if Andy dies unexpectedly after his first child is born? Is there any insurance to ensure his child and wife are looked after financially?**

Again, if Andy had purchased life insurance prior to the needle incident, his wife and child would receive the benefits.

# I-6

## CASE 6 – TAILORING LIFESTYLE AND PURSUING A SUBSPECIALIZED INTERNAL MEDICINE CAREER

**Sunny, a second-year medical student, obtained a Master's degree and worked in a lab before he started medical school. One day in class he looks around at his classmates and realizes that he is a bit different than them. At 28, he's a few years older than the average student, he's married to a woman with an established career, he has a two-year-old daughter at home and, on top of his \$18,000 tuition, has a mortgage to pay. Sunny starts to think about his future and wonders.**

### **What is the best way for him to manage the debt he will acquire?**

Although he is older than his fellow students and has the responsibilities of a child and mortgage, Sunny has an advantage in that his life partner has an established career and is earning a salary.

Sunny and his wife would be well advised to sit down together with an RBC Student Champion and create a personal budget that makes the most of their unique situation.

One of the best ways to tackle debt is to pay less tax and, as a couple, there may be many opportunities for Sunny and his wife to reduce their overall tax bill through effective tax planning.

For instance, if Sunny is unable to use all the education, tuition and textbook tax credits to which he is entitled, up to \$775 of unused credits can be transferred to his wife.

They will also want to speak to a tax specialist about effective ways to split their income — that is, to shift taxable funds to Sunny, who pays tax at a low marginal rate, from his wife, who has a higher income and therefore pays a higher rate. One solution is for Sunny to invest any income that he earns, while they rely on his wife's income to cover all the household expenses — including his loan repayments. Any income generated by the invested funds would be taxable to Sunny, at his low marginal rate.

### **He'd love to be a Cardiologist, but wonders how new physicians arrange their workload. Is it possible for him to arrange a 50-hour workweek as a Cardiologist?**

In general, most new physicians should be able to find a niche within a specialty that will accommodate the hours they would like to work. There are some specialties that are not so accommodating of flexible schedules. Some factors that may limit Sunny's ability to choose the number of hours he works include taking an academic position with extra responsibilities, taking care of in-patients, choosing a specialty or area of interest that requires call duties or practising in a situation where there are no other Cardiologists (i.e., he has greater responsibilities).

Factors that may promote flexibility include taking a position where he can network with other Cardiologists and share the workload, working in an outpatient setting, and spending some time in non-patient situations (reading echocardiograms). Although not applicable to Sunny, shift work can also accommodate a flexible schedule.

In summary, Sunny is wise to consider the number of hours he is willing to work when making career decisions, as it is not possible to limit hours in all areas of each specialty.

### **He's quite aware of how expensive school is and wants to save for his daughter's education. What should he invest in? What about his retirement?**

For long-term goals like these, Sunny has an opportunity to take advantage of tax-deferred compound growth by opening a Registered Education Savings Plan (RESP) for his daughter's education and a registered Retirement Savings Plan for himself. In addition, his wife could contribute to a spousal RSP on his behalf.

**RESPs.** RESPs are subject to a lifetime contribution limit of \$50,000 per beneficiary (i.e., the future student). There is no annual limit. All money in the plan grows on a tax-deferred basis until withdrawn. When earnings are withdrawn to pay for his daughter's post-secondary schooling, the withdrawals will be taxed in her hands and are likely to attract no tax.

In addition, the federal Canada Education Savings Grant (CESG) will top up his RESP contribution by 20% on the first \$2,500 contributed every year. Maximum CESG over the life of the plan is \$7,200.

**RSPs.** To save for his retirement, Sunny can contribute a maximum of 18% of his previous year's earnings. These contributions are tax-deductible. Earnings are tax-deferred as long as they stay in the plan. His wife can contribute all or any portion of her annual allowable RSP contribution to a spousal plan for Sunny.

### **What residency program should he enter to get into a Cardiology program? What is the application like?**

Sunny should apply to Internal Medicine residency programs. After completing three years of Core Internal Medicine, he will then apply to subspecialties of interest. Subspecialties available include Cardiology, Clinical Immunology and Allergy, Clinical Pharmacology, Endocrinology and Metabolism, Gastroenterology, General Internal Medicine, Geriatric Medicine, Hematology, Infectious Disease, Medical Oncology, Nephrology, Occupational Medicine, Respiriology, and Rheumatology.

Third-year Internal Medicine residents apply for these fellowships through the R4 match. The match process was recently changed in 2009 to a match system similar to CaRMS. More information about the R4 match can be found at [http://carms.ca/eng/r4\\_about\\_intro\\_e.shtml](http://carms.ca/eng/r4_about_intro_e.shtml). In the past, most students will get the subspecialty of their choice, but may not get the location of their choice. In 2007, 96% of applicants received their first choice of specialty; 85% got their first choice specialty at their first choice location. Similarly, in 2006, 97% of applicants received their first choice of specialty, 80% at their top location. Competition for specific locations tends to change from year to year as levels of interest and availability fluctuate.

In late September and early October, candidates will find out whether they have been offered an interview from programs they applied to. All subspecialties (except Cardiology, which organizes a centralized interview day) require candidates to travel to interviews.

There is a match day in early November. On this day, candidates will receive phone calls or faxes from programs with an offer of acceptance. After receiving an offer, a candidate can either accept, decline, or hold the offer. Offers can be held for a maximum of two days and a maximum of two offers can be held at the same time. If an offer is declined, that program will then offer acceptance to another candidate in the applicant pool.

This process continues for two weeks, when all offers held become firm. There is a website that becomes active on the Match Day where candidates can keep track of offers declined, accepted, and held. Few candidates will go unmatched, but there is a second iteration for those that do. Some Core Internal Medicine programs may offer unmatched candidates a spot in their General Internal Medicine program.

Most students will get the subspecialty of their choice, but may not get the location of their choice. In 2007, 96% of applicants received their first choice of specialty; 85% got their first choice specialty at their first choice location. Similarly, in 2006, 97% of applicants received their first choice of specialty, 80% at their top location. Competition for specific locations tends to change from year to year as levels of interest and availability fluctuate.

**Jaime, a fourth-year student, comes home from a long day of dealing with patients and realizes he doesn't enjoy patient contact. He hasn't enjoyed the past year of clerkship and doesn't want to spend the rest of his life tending to patients in a hospital or clinical setting. However, he doesn't want to throw the past four years of education down the drain (not to mention the drain on his bank account) and plans to graduate. He knows vaguely that there are opportunities for MDs that don't revolve around the traditional physician's role, but doesn't know what they are or where to start looking. He thinks there must be options available for medical students in his position.**

**What are some career options available to Jaime that make use of his medical degree but do not require him to practise medicine?**

Jaime might want to consider:

- › Working for a consulting firm, such as McKinsey Consulting.
- › Getting involved in health policy (through Community Medicine Residency training).
- › Focusing on the financial aspects of hospital or health center management (e.g., CEO of a hospital).
- › Moving into biotechnology.

In addition to the above list, Jaime may also consider specialties with little patient contact, such as Radiology or Laboratory Medicine.

**Do the alternative careers require additional training or schooling?**

Sometimes consulting firms will require an additional course. If Jaime is interested in financial aspects of medicine, he may elect to do an MBA. Some students who find themselves in this position may have already completed training before medical school, such as a law degree or financial training, giving them the capacity to go back to those fields and function in a specific niche.

**What is the starting salary for these careers?**

The starting salary at a major consulting firm is around \$150,000 a year.

**Should he apply to CaRMS?**

Anecdotally, most students will come back to medicine, making the completion of a residency program highly valuable. Counselors will often advise students to apply for a residency program in case they change their mind at a later date.

**If he does not apply to residency, how will his government loan and line of credit payments be affected? If he goes for further schooling, will his government loan payment be deferred?**

As long as Jaime is enrolled as a student in full-time studies as defined by Human Resources and Social Development Canada (generally, a full course load), his government-sponsored student loans will remain in Class A, "in-school" status and the monthly interest will be paid by the government.

Private debt, such as Jaime's personal line of credit, will vary according to the issuing financial institution. In most cases, the debt will continue to require interest-only payments until 12 months after he graduates or withdraws from school. Note, however, that depending on the field of study (if other than medical/dental) the limit maybe capped and no further advance will be made unless a suitable co-signor is provided.

**Sanjay is a second-year medical student who isn't sure what career option he'd like to pursue, but knows he doesn't want to work in a hospital or academic setting. Opening up a private practice in his hometown is looking very attractive but he has heard that start-up costs and overhead can be very steep. He plans to stay in the same location until he retires but worries that with his financial debt after medical school, he will not be able to pursue his ideal practice for many years.**

### What specialties would be feasible in a private practice setting?

The majority of physicians will spend part of their time in a private practice setting. A list of specialties that would accommodate Sanjay's independence includes Anesthesiology, Community Medicine, Dermatology, Diagnostic Radiology, Family Medicine, Internal Medicine, Adult Neurology, Occupational Medicine, Ophthalmology, Pediatrics, and Psychiatry. Sanjay could potentially open a clinic with training in any of the above specialties, but in some cases the procedures or conditions he could treat or manage would be limited compared with what he could do in a hospital setting. For instance, if Sanjay trained in Ophthalmology, he could do LASIK surgery, but perhaps not be involved in Neuro-Ophthalmology cases.

Surgical specialties may not be so appealing to Sanjay because surgery requires an operating room in a hospital; however, surgeons may have private offices outside of a hospital for their clinics. In some cases, surgeons may be able to operate outside of the hospital setting; facial plastic surgeons are an example. Pathologists require access to laboratories and usually work in conjunction with hospitals, making private practice unattainable. Pediatric Neurologists may have private practices, but they are usually associated with a hospital because of the rarity of pediatric neurological conditions. Physical Medicine and Rehabilitation is generally practised in hospital. Radiation Oncology and Nuclear Medicine require access to technology usually owned by hospitals, making private practice unrealistic.

### Sanjay had questions about whether he'd be able to finance a practice and wondered if this career path was even worth pursuing. What are financial options available to physicians opening practices?

Term loans, operating lines of credit, and business overdraft protection are financing options available to tailor to the needs of physicians with their own offices. Sanjay might also be interested in the process of incorporating private practices.

More detailed information on these options can be found in Section B-5.

### What are some costs associated with opening a clinic besides the obvious costs of an office space and equipment?

Aside from equipment and rent, there are other costs involved in starting your own practice, depending on the size of the practice and what type of medicine you're practicing.

Here are a few:

- › Fees for a contract lawyer to develop partnership or group agreements if you are working with other people.

- › Fees for an accountant to set up an efficient accounting system and file your income tax returns.
- › Fees for a bookkeeper to formulate and report on monthly, quarterly, and annual finances.
- › Fees for a real estate broker to find an appropriate practice location for you.
- › Fees for an interior designer/contractor to design your office space.
- › Payments to support staff, such as a nurse or receptionist.

### How would he obtain equipment and hire staff?

Most physicians need to borrow money to start up their practices. Young doctors like Sanjay can often barely purchase a new computer without a loan, let alone hire staff and equip an office without some sort of financial assistance.

Equipping and furnishing an office can be very expensive. Sanjay will need to examine his financial resources and what furnishings and equipment has to be purchased before seeing his first clients, and what he may require for future expansions.

He should discuss with his advisor whether leasing or purchasing equipment outright is the best option for him. He will also need to decide what is needed before opening his practice versus what can wait until after opening his practice. He should do price checks and use supplier competition to his advantage, check guarantees and warranties, and ask other professionals in his field about suppliers' customer service record, equipment maintenance, and client satisfaction.

When it comes to hiring staff, Sanjay will probably find that staff costs can comprise up to 50% or more of total office expenses. That alone should prove the importance of keeping excellent hiring practices.

Here are some of the greatest mistakes that professionals make when hiring:

- › Hiring too quickly (i.e., the first person interviewed or the best of a "poor lot").
- › Hiring staff who aren't qualified or who don't have the characteristics needed for the job so that lower rates of pay can be offered.
- › Hiring staff who lack initiative or who aren't interested in helping the practice to grow.

Good hiring practices start with careful planning by:

- › Listing all the tasks that will have to be done within the office, from opening mail to greeting clients and handling finances.
- › Assessing the experience needed by staff members to be able to do the work efficiently and assigning each task to certain positions, such as receptionist, nurse, technician, legal secretary, etc.
- › Assessing how much time each task will take on a daily, weekly, or monthly basis; and assessing which positions should be hired on a full-time basis and which can be hired on a part-time basis, bearing in mind the importance of having continuity throughout the day.

**Mambo and Adil are third-year medical students who have just finished their second clerkship rotation in Surgery. Mambo was not particularly interested in Surgery before his clerkship rotation but is now keen on Plastic Surgery. He has heard from Adil that it's difficult to get into a Plastic Surgery residency program. Adil has shown interest in ENT since first year. Adil shadowed ENT surgeons regularly throughout first and second year and also pursued ENT research in both summers.**

**Mambo is very worried that it is too late for him to pursue Plastic Surgery, especially when other students, like Adil, have demonstrated interest in competitive surgical programs by committing their summers to research and shadowing surgeons.**

**Mambo seeks advice from Adil about how to best pursue Plastic Surgery. During this conversation, Adil starts to wonder what would happen if he changed his mind about ENT.**

**Mambo and Adil both have some questions about pursuing competitive surgical residency programs.**

**Is research necessary? Does it matter if research is in that particular field? For a student like Mambo, are there any opportunities to complete research in the field during clerkship?**

Research is highly recommended, particularly for programs located at centres with a strong academic focus. It is helpful for research to be in the particular field, in this case, Plastic Surgery, as it demonstrates genuine interest in the specialty.

There are always opportunities to be involved in research at any stage. Projects can range from writing up an interesting case report, to clinical research, to basic science research, depending on the time that you have available. For example, a first- or second-year student might be able to devote a summer to full-time basic science research, whereas a third- or fourth-year student might have time to work on a case report or small clinical research project.

**Is it discouraged to show interest in other specialties, for example, doing summer research in ENT in first-year like Adil, but then realizing you want to do Ophthalmology in third year?**

Most people on residency committees are reasonable and don't expect students in first-year medical school to know with 100% certainty what specialty they will choose for their career. At that point, many students will not have had direct clinical exposure to any specialty. It can be a positive quality to demonstrate that various surgical subspecialties were considered and explored, and that an informed decision was ultimately made to pursue a particular subspecialty.

**Should all fourth-year electives be in that field? If not, how many should? What's the best way to set up electives?**

All fourth-year electives do not need to be in that particular field, but at least one should be. The best way to set up electives is to speak to residents in the program of interest, and find out from them who they recommend for elective experiences. Although many people focus on the importance of working with

a program selection committee member, another important thing to consider when choosing an elective is what exposure and insight you will gain from the experience.

**Should students like Adil who are interested in surgery from first year pursue surgical shadowing and research in first and second year?**

These are good ways to explore an interest in surgery. For one thing, you may meet surgeons in the department to which you subsequently apply for residency. More important, however, is that these activities give you early, direct exposure to the specialty before clerkship rotations begin. Shadowing experiences may be helpful in ruling in or out surgical subspecialties that you want to pursue further in the form of clerkship electives. The pre-clerkship schedule may also allow you to take on a larger research project.

However, there are many valid ways to spend the "extra" time that you have in pre-clerkship. Some people do international electives, travel for pleasure, play sports, and pursue other non-academic activities. It is important to be well-rounded and balanced, too.

**Is it too late for Mambo to realistically pursue Plastic Surgery? What should he do to be a competitive applicant?**

It is not too late for Mambo. He should spend some of his remaining elective time doing Plastic Surgery, and consider getting involved in a research project.

**Is there anything else that someone interested in a competitive surgical residency program should do in order to be a successful applicant?**

Besides demonstrating interest in the particular field by taking electives or participating in research projects, it is important to be well-rounded and have interests outside of medicine.

Other advice would include being a "team player" and working hard on all of your clerkship rotations, not just the surgical ones, and being yourself. If you are genuinely interested in a particular subspecialty it will be clear to program committee members. As well, remember that during your electives and residency interviews, you are also evaluating the specialty and program to decide if it suits what you are looking for in your career. Finally, there is no one single formula of electives or research projects that will guarantee a residency spot; everyone knows of people who did many electives and projects right from first year and did not get their first choice, as well as people who decided "late" and ultimately got into a competitive program.