



**Association of
American Medical Colleges**
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February 23, 2018

The Honorable Lamar Alexander
Chair
Committee on Health, Education, Labor
and Pensions
United States Senate
Washington, DC 20510

The Honorable Patty Murray
Ranking Member
Committee on Health, Education, Labor
and Pensions
United States Senate
Washington, DC 20510

Dear Chairman Alexander and Ranking Member Murray:

On behalf of the Association of American Medical Colleges (AAMC), thank you for your longstanding support for medical schools and teaching hospitals. As you craft legislation to reauthorize the Higher Education Act (HEA), I write to respectfully request that the committee include policies that work to strengthen the nation's future physician workforce and support graduate and professional students. As the United States faces a growing shortage of physicians — as many as 104,900 by 2030 — it is vital to ensure federal loans for medical school remain accessible and affordable for students from all backgrounds to meet the health care demands of our nation.

The AAMC is a not-for-profit association dedicated to transforming health care through innovative medical education, cutting-edge patient care, and groundbreaking medical research. Its members comprise all 151 accredited U.S. and 17 accredited Canadian medical schools; nearly 400 major teaching hospitals and health systems, including 51 Department of Veterans Affairs medical centers; and more than 80 academic societies. Through these institutions and organizations, the AAMC serves the leaders of America's medical schools and teaching hospitals and their nearly 167,000 full-time faculty members, 88,000 medical students, and 124,000 resident physicians.

Since the last HEA reauthorization, federal policy changes such as elimination of the in-school interest subsidy have made graduate and professional study less accessible and more costly, with a particularly negative impact on underrepresented, low-income, and first-generation students. While medical school remains an excellent investment, the average medical student who graduates with \$192,000 in debt can expect to repay a total of between \$348,000 and \$418,000, depending on the repayment plan – a burden that can deter potential applicants and cost underserved communities future providers. With this in mind, the AAMC makes the following recommendations:

Allow Health Professions Student to Borrow the Cost of Attendance

GradPLUS, with its level of interest rates and lower default rates, has been a mutually beneficial use of limited federal resources. Forty-seven percent of medical students currently rely on GradPLUS to cover the full cost of attendance for medical school. Reducing student lending limits below the full cost of attendance will have a disproportionate impact on these borrowers, forcing them to take out private student loans with less favorable terms to fully finance their education. Moreover, a shift to the private market is an additional barrier for medical students, especially for borrowers with no/low credit, and generally requires multiple loan payments during residency training. Students from low-income and

disadvantaged backgrounds are also more likely to return to medically underserved communities in desperate need of physicians. To help ensure medical school remains accessible for all students, the AAMC recommends retaining health professions students' ability to borrow up to the full cost of attendance.

Preserve the Public Service Loan Forgiveness Program

Since its enactment in 2007, the purpose of the Public Service Loan Forgiveness Program (PSLF) has been to encourage graduates to pursue careers that benefit communities in need. Indeed, non-profit and government facilities facing provider shortages use PSLF as a recruitment incentive for all types of physicians. Through an annual survey of graduating medical students, the AAMC has witnessed the effectiveness of PSLF. Most recently, roughly one-third of 2017 respondents indicated an interest in pursuing PSLF. The personal stories of students from rural and underserved communities who say they plan to use PSLF to return home to provide care where it is most needed can be viewed at www.aamcaction.org/PSLFFStories. To help improve workforce distribution as the country faces physician shortages across all specialties, the AAMC urges preserving PSLF.

Parity for Graduate Student and Undergraduate Student Loans and Repayment

In the medical field, earning a graduate degree is just as necessary as earning an undergraduate degree. Medical students also go on to provide a crucial societal benefit to improve the health of our nation and its citizenry. Unfortunately, federal loans for graduate and professional students are a greater financial burden since they have higher interest rates, higher loan origination fees, accrue interest while students are pursuing their degrees, and take longer to repay under current federal plans. Yet, graduate and professional borrowers generally present lower default rates and are a good federal investment for taxpayers. In fact, loans for graduate and professional students have been profitable for the Department of Education. To simplify federal programs and streamline borrowing in the health professions pipeline, the AAMC supports parity for graduate and undergraduate student loans and repayment plans.

Continuing Graduate and Professional Student Eligibility for Federal Work Study

The AAMC, through our member medical schools and teaching hospitals, represents thousands of graduate students and postdoctoral trainees in the biomedical sciences. Federal Work Study (FWS) supports many needy students by offering an alternative to additional loan debt by way of part-time employment on campus and in the community. Simultaneously, the program offers valuable work experience to trainees hoping to enter the biomedical research enterprise. To help the U.S. remain the global leader in research and development, the AAMC recommends supporting the pipeline of talented young graduate/professional researchers by continuing graduate and professional eligibility for FWS.

Support the Accreditation Framework that has Long-ensured the Quality of Medical Education

Since 1942, medical education programs leading to the MD degree in the U.S. and Canada have been accredited by the Liaison Committee on Medical Education (LCME). The LCME is jointly sponsored by the AAMC and the American Medical Association (AMA). Under this structure, the LCME has guided medical schools for 75 years, including several new institutions and programs, as their curricula and missions evolve to keep pace with changes in society, public health challenges, and dramatic research and medical advances. The AAMC echoes comments of the higher education community and specialized professional accreditors — HEA reauthorization should recognize the following principles:

- subject matter expertise is crucial to the success of programmatic accreditation;

- the quality of a programmatic accreditor is determined by its focus on ensuring that higher education programs comply with profession-based standards;
- student achievement is best determined by institutions, programs and accreditors in partnership with communities of interest;
- the value of appropriate stakeholder participation in the programmatic accreditation process; and
- laws and regulations should promote public information about accreditation decisions that is current and accurate.

Ensuring International Medical School Accountability

Graduates of international medical schools are an important part of the U.S. health workforce — representing approximately a quarter of practicing physicians. As such, the AAMC’s physician workforce shortage projections assume that current levels of physician immigration and education abroad will be sustained. To help ensure the quality of physicians entering the U.S. workforce, the AAMC supports the 2023 institutional accreditation requirement for Educational Commission for Foreign Medical Graduates (ECFMG) certification. To help ensure the quality of international medical schools serving U.S. students, the AAMC endorses the Foreign Medical School Accountability Fairness Act of 2017 (S. 850), sponsored by Sen. Richard Durbin. This legislation would strengthen the Department of Education’s oversight of financial aid for non-U.S. institutions in line with standards set by the LCME, including attrition rates and U.S. medical licensure exam passage rates.

On behalf of the nation’s medical schools and teaching hospitals, we appreciate your desire to reauthorize the Higher Education Act. Under your leadership, the Senate Health, Education, Labor, and Pensions Committee has a strong track record of achieving bipartisan compromises that benefit the American people. We look forward to working with you and your colleagues to strengthen federal higher education programs. If you have any questions, please contact Joe Bañez at 202-739-2995 or jbanez@aamc.org.

Sincerely,



Karen Fisher, JD
Chief Public Policy Officer

CC: Members of the Senate Committee on Health, Education, Labor, and Pensions