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Submitted at [www.regulations.gov](http://www.regulations.gov)

September 23, 2021

The Honorable Miguel Cardona  
Secretary  
U.S. Department of Education  
400 Maryland Ave SW  
Washington, DC 20202

RE: Administration of the Public Service Loan Forgiveness Program; Request for Information (RFI); ED-2021-OUS-0082

Dear Secretary Cardona:

The AAMC (Association of American Medical Colleges) appreciates the opportunity to provide comments in response to the Department of Education Request for Information, "Administration of the Public Service Loan Forgiveness Program," 86 Fed. Reg. 40029 issued on July 27, 2021. In the following comments, we provide insight from the academic medicine community on the Public Service Loan Forgiveness (PSLF) program in line with the sections of the RFI: 1) Public Service and Student Debt; 2) Experiences with PSLF; 3) Opportunities to Strengthen the PSLF program; 4) the Effects of COVID-19 Pandemic on Student Loan Borrowers Working in Public Service.

The AAMC is a nonprofit association dedicated to transforming health through medical education, health care, medical research, and community collaborations. Its members are all 155 accredited U.S. and 17 accredited Canadian medical schools; approximately 400 teaching hospitals and health systems, including Department of Veterans Affairs (VA) medical centers; and more than 70 academic societies. Through these institutions and organizations, the AAMC leads and serves America's medical schools and teaching hospitals and the millions of individuals employed across academic medicine, including more than 186,000 full-time faculty members, 94,000 medical students, 145,000 resident physicians, and 60,000 graduate students and postdoctoral researchers in the biomedical sciences.

The PSLF program is an essential tool for nonprofit and government facilities to recruit and retain physicians, enhancing the distribution of our nation's physician workforce to help care for patients in rural and other underserved communities – often those hit hardest by the COVID-19 pandemic. The AAMC estimates a shortage of between 37,800 and 124,000 physicians by 2034, with substantial shortfalls in both primary and specialty care.<sup>1</sup> According to a 2021 survey, approximately 39% of medical school graduates plan to enter the PSLF program, with interest

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<sup>1</sup> <https://www.aamc.org/news-insights/press-releases/aamc-report-reinforces-mounting-physician-shortage>

growing every year.<sup>2</sup> As a result, since the program's inception in 2010, PSLF could have recruited as many as 15,000 physicians to care for vulnerable patient populations at nonprofit facilities and treat patients during the current and future public health crises.

The AAMC believes it is important to ensure physicians and medical residents working for a qualifying nonprofit or government facility continue to be eligible for the PSLF program, regardless of their specialty choice or location. In medicine, public service can include primary care and specialty disciplines, particularly in rural and other underserved areas—for example, family medicine physicians at community health centers, pulmonologists treating COVID-19 patients nationwide, addiction psychiatrists caring for patients with substance use disorder, emergency medicine physicians at inner-city hospitals, or surgeons at VA medical centers. Physicians and medical residents at nonprofit teaching hospitals care for the nation's most vulnerable patients (including Medicare and Medicaid patients); provide essential patient care services, such as neonatal intensive care units, burn units, and trauma centers, and a variety of services offered only at teaching hospitals; and deliver charity care to patients who cannot afford it.

### **Public Service and Student Debt**

For many public service careers (such as health care), graduate and professional degrees are required for licensure and employment. Students who attend graduate and professional school tend to take on higher amounts of debt, which can make working in public service more difficult. The higher cost of graduate and professional federal student aid programs (including forgiveness opportunities such as PSLF) is underwritten by higher interest rates, unsubsidized loans, and greater levels of repayment. As such, we urge the Department to continue allowing loans originated during graduate and professional school to be eligible for PSLF.

In 2020, the median debt for medical school graduates was \$200,000.<sup>3</sup> While this can be daunting, federal income-driven repayment plans provide a viable option for physicians to manage their student loan debt successfully. Matriculating medical students can look forward to high graduation rates, strong job security, low default rates, and excellent income potential after medical residency training. As a result, medical education remains a wise career investment for students from all backgrounds, especially when combined with current private and public financial support, such as PSLF.

As shown in the testimonials below, loan forgiveness programs available to physicians are important in recruiting first-generation and underrepresented students to medical schools, encouraging physicians to practice at nonprofit facilities, and incentivizing physicians to become our next generation of medical researchers. To achieve this, the AAMC believes PSLF must remain open to all physicians at qualifying nonprofits and government facilities, regardless of their education debt or income level.

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<sup>2</sup> <https://www.aamc.org/media/55736/download>

<sup>3</sup> [https://store.aamc.org/downloadable/download/sample/sample\\_id/374/](https://store.aamc.org/downloadable/download/sample/sample_id/374/)

### **Experiences with PSLF**

Since 2010, the AAMC has tracked interest in PSLF among graduating medical students, and in that time, roughly 35,000 have said they plan to pursue PSLF, with increased interest each year. In fact, in recent years, more than one-third of indebted medical school graduates – about 4,500 annually – have said they plan to pursue PSLF.<sup>4</sup>

These new physicians, encouraged by the support of PSLF, provide health care to rural and underserved communities throughout the U.S., and become the next generation of medical researchers, as shown by testimonials collected at AAMC PSLF Stories.<sup>5</sup> For example:

"I've just graduated from medical school with the intention of going into rural primary care so that I can ensure patients will get their health looked after regardless of their proximity to a large city. PSLF is not about giving doctors a break; it is about giving the underserved citizens of this country access to care that they deserve." – Elspeth S., New Mexico

"I am a first-generation physician, first generation college graduate, and first generation American-Mexican. I am a Family Medicine doctor. I have been training and will be working in the poor communities of Arizona when I am done with my fellowship. The reason I am not seeking higher paying positions is in large part because I thought I would be able to count on the PSLF program to assist me in my efforts." – Androuw C., California

"I am working in academic research and non-for-profit patient care, which does not pay well. If it were not for the Public Service Loan Forgiveness program, I would not be able to use my training to discover novel treatments and to care for patients with some of the most debilitating diseases on the planet. Without this option, I would have to leave research and public service and work for profit in the private sector. PSLF is an incredibly important program because, without it, our nation will not be able to sustain the level of scientific research and high level of patient care it does today." – Sarah W., Connecticut

As demonstrated above, PSLF plays a crucial role in solidifying our nation's health care infrastructure for all patients as we prepare for future public health emergencies.

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<sup>4</sup> <https://www.aamc.org/media/55736/download>

<sup>5</sup> <https://aamcaction.org/pslfstories-p0/>

### **Opportunities To Strengthen the PSLF Programs**

As the Department considers operational improvements to PSLF, AAMC has identified several ways to strengthen the program for physicians, including:

- Allowing PSLF eligibility to all physicians who practice at nonprofit hospitals or health care facilities regardless of their employer; some current state laws — for example, in California and Texas — prohibit doctors from being directly employed by hospitals and, therefore, can prevent doctors from being employed by a qualifying nonprofit.
- Assuring borrowers who have already indicated an interest in the program will continue to be eligible for forgiveness even if Congress changes the current program. Borrowers often suggest that they don't have confidence that PSLF will be around in 10 years, which is a big concern for getting people to work in a public service position when another position may offer them a larger salary.
- Combining the annual income verification process for an income-driven repayment plan with the PSLF certification form instead of requiring the borrower to complete two different actions.
- Streamlining the processing to address borrower inquiries, establish a single servicer for those interested in PSLF.
- Ensuring that all servicers consistently assist and educate borrowers interested in PSLF, regardless of whether the borrower's current servicer is the PSLF servicer selected by the Department.
- Creating a process in which the servicer immediately notifies borrowers if their loan payment is not a qualifying payment. If there are issues, there should be a process that will provide a borrower with a means to have the issue investigated in a timely manner. The AAMC continues to hear stories where borrowers are waiting over a year to have their accounts audited to find the issue of the ineligible payment.
- Allowing loans to be consolidated while retaining existing qualifying payments instead of resetting the count — since the borrower has done the qualifying work while holding eligible federal loans.
- Strengthening public sharing of PSLF data with borrowers, school partners, the higher education financial aid community, and other stakeholders. This information should be user-friendly and easily accessible to those who help to educate and counsel borrowers.

### **The Effects of the COVID-19 Pandemic on Student Loan Borrowers Working in Public Service**

The COVID-19 pandemic has highlighted the invaluable service that health care workers on the front lines provide to all Americans. Many physicians, residents, and medical researchers continue to provide a public service by discovering, testing, and disseminating viable treatments and vaccines to combat COVID-19 and prevent future outbreaks.

In recognition of the sacrifices of health care workers during the COVID-19 pandemic, Members of Congress have introduced proposals to forgive their student loans.<sup>6</sup> In line with these proposals, the Department has the opportunity to enhance the PSLF program to recognize the work that physicians and medical residents have done to protect the public health of our country.

Currently, the suspension of student loan payments and interest accrual — first passed in the Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136) and continued by executive orders — has provided relief for many physician student loan borrowers during these unprecedented times. However, we are concerned about the upcoming restart of student loan payments at the end of January. To address these concerns, we recommend:

- Guaranteeing that borrowers' non-payment months during the COVID-19 administrative forbearance are appropriately counted toward progress in the PSLF program. Although the Department has assured borrowers that their non-payments during this time will count toward PSLF eligibility, borrowers are concerned that there will be issues with getting "credit" for these months.
- Preparing borrowers for different monthly payment amounts when payments resume in February 2022. Although borrowers have been told that their payments may or may not increase when the suspension expires, it is possible that a borrower could miss making the total payment amount in a timely manner, resulting in missing eligibility for PSLF.

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On behalf of the nation's medical schools and teaching hospitals, we appreciate your efforts to improve the PSLF program, ensuring our nation's health infrastructure is ready to care for all patients. If you have any further questions, please contact Brett Roude, Legislative Analyst, AAMC Government Relations, at [broude@aamc.org](mailto:broude@aamc.org).

Sincerely,



Alison J. Whelan, MD  
Chief Academic Officer

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<sup>6</sup> <https://www.aamc.org/advocacy-policy/washington-highlights/aamc-endorses-loan-forgiveness-frontline-health-workers#:~:text=The%20AAMC%20has%20endorsed%20the,of%20the%20COVID%2D19%20pandemic.>