



February 22, 2018

The Honorable Paul Ryan  
Speaker of the House  
U.S. House of Representatives  
H-232, The U.S. Capitol  
Washington, DC, 20510

The Honorable Nancy Pelosi  
Democratic Minority Leader  
U.S. House of Representatives  
H-204 The U.S. Capitol  
Washington, DC, 20510

Dear Speaker Ryan and Minority Leader Pelosi:

I write to you on behalf of the American Medical Student Association (AMSA) to express our commentary and concerns about the educational stability of the future-physician workforce in the United States. This comes in light of recent hearings on Higher Education Act reauthorization within the Senate Health, Education, Labor, and Pensions Committee, and in response to the February 6, 2018, Congressional Budget Office scoring of H.R. 4508, the Promoting Real Opportunity, Success, and Prosperity through Education Reform (PROSPER) Act.

We first offer our thanks that Congress has prioritized education and nondefense discretionary spending by increasing the budget restrictions from the most recently passed continuing resolution. Nonetheless, there are additional significant issues on the horizon. We agree that the goal of federal policy must be to make college more accessible and affordable. In efforts to reauthorize the Higher Education Act, however, we are concerned that college affordability for the future-physician workforce has been drastically overlooked. We likewise contend that health professions education, in general, is not only an issue of education policy, but also of public health and health policy. Changes to educational policy should therefore consider health implications.

AMSA was founded in 1950 as the Student American Medical Association (SAMA) under the auspices of the American Medical Association (AMA). The main purpose of the organization was to provide medical students a chance to participate in organized medicine. During President Lyndon Johnson's Great Society era of social policy, this group of medical trainees articulated differing policy stances from its parent association, including their support of laws like the Higher Education Act of 1965. This served as an impetus for our AMA detachment in 1967 in the name of autonomy and student-led governance. With our roots in support of equitable access to health care for all and higher education for all, today AMSA is the largest and oldest independently student-governed association of physicians-in-training in the United States. Our members span the entire training continuum of medical education. As an association, we are committed to advancing medical education, contributing to the welfare of medical trainees and the future healthcare workforce, and improving health and healthcare delivery to all people.

Medical education is an arduous process whose time commitment and rigor has few parallels, if any, in the overall landscape of workforce development. Moreover, the characterization of graduate students as a monolithic population of borrowers does not consider the unique financial challenges of medical education or demands of future-physician clinical training. Since the 1960s, individual and family financial contributions to medical student education have steadily declined. Similarly, the 1970s saw the

disappearance of paid research or clinical externships for medical students, and by 1984 medical education was largely debt financed, which remains true to this day.<sup>1</sup> To summarize key data surrounding medical education costs and medical student indebtedness:

- From 1996 to 2017, median tuition at private medical schools increased by 124 percent, while median tuition at public medical schools increased 286 percent over the same period.<sup>2</sup>
- According to the Association of American Medical Colleges, median medical student indebtedness for the Class of 2017 was \$192,000 with 14 percent of students carrying an educational debt burden greater than \$300,000 including their undergraduate student debt.
- The median four-year, in-state cost of attending public school for physician training for the class of 2018 was \$243,902, and private school median four-year, in-state cost of attendance was \$322,767.<sup>3</sup>
- The American Association of Colleges of Osteopathic Medicine states osteopathic medical students in the Class of 2017 reported a mean education debt of \$247,218.<sup>4</sup>
- The federal direct loan aggregate borrowing limit for medical students under current law is \$224,000, which can be supplemented with GradPLUS loans up to the cost of attendance.

Given this information, we are deeply disturbed that in an effort to simplify the Higher Education Act Title IV structure, the ONE Loan program proposed in the PROSPER act places a \$235,500 aggregate borrowing limit on medical students while eliminating the GradPLUS loan program entirely. We strongly urge Congress to consider that the distinctive nature and time demands of clinical training restrict medical students' capacity to work for pay during school. Their educational-debt burdens and wide variation of co-signer availability due to individual circumstance both portend difficulty in securing sufficient private educational loans. Many medical students do not have the luxury of scholarships or supplementary financial assistance from partners and families. They rely instead on the GradPLUS loan program to provide for living expenses and other educational expenses such as textbooks, medical licensing exam fees, residency application fees, and obligatory travel expenses for interviewing for residency. Elimination of the GradPLUS loan option for medical students would usher in an era where future physician trainees face food insecurity, homelessness, joblessness by virtue of being unable to seek residency positions, and an inability to pay for tuition and fees to learn to care for the American public.

Recently described consequences of educational-debt burden to medical student health and wellbeing are alarming. A study published in September 2016 in the Association of American Medical College's journal *Academic Medicine* showed approximately one-third of the 4,354 medical students who completed their screening could have met diagnostic criteria for alcohol abuse/dependence. This was double the rate of similarly aged, college-educated adults by comparison. In addition, aggregate data from the authors' survey showed 70 to 80 percent of medical students experienced "burnout," alcohol abuse/dependence, depressive symptoms, or suicidal ideation at the time of the survey. Among these medical students, higher educational debt was an associated risk factor.<sup>5,6</sup>

In the face of a national physician shortage and aside from potentially eliminating the GradPLUS loan program, a similar proposal to restructure Income Driven Repayment plans would continue to worsen medical trainees' financial instability throughout their residency and fellowship training in Graduate Medical Education (GME). Even under current law with options for income driven repayment programs, medical trainees with median indebtedness of \$192,000 suffer total interest costs that range from 59 to 127 percent above and beyond their initially borrowed principle.<sup>3</sup> Increasing monthly payments,

extending the number of years of repayment schedules, and eliminating forgiveness options would all create circumstances in which medical trainees would pay educational debt into perpetuity.

The financial uncertainty for future physicians exacerbated by proposals to eliminate the GradPLUS loan program and to alter Income Driven Repayment plans must be viewed through a larger lens. Medicare funding for GME positions still has not been expanded. The Indian Health Service, the National Health Service Corps, the National Institutes of Health, Teaching Health Centers for Graduate Medical Education, and Community Health Centers are all examples of future physician workforce development options that have recently faced troubling scrutiny and potential funding reduction or elimination. Likewise, the PROSPER Act in the House and ongoing discussions surrounding HEA reauthorization propose eliminating the Public Service Loan Forgiveness (PSLF) program for new borrowers. This is despite data indicating PSLF is the most preferred loan forgiveness program for US medical graduates,<sup>7</sup> many of whom would enter primary care specialties and practice in health professional shortage areas, teach in medical education as health professional educators, or work as providers within the Veterans Health Administration. In short, the scope of medical education financing suffers greatly due to a lack of coordination among federal agencies and policies, leaving medical students questioning the risk versus benefit of their career choice and faith in legislative decision-making.

Loan forgiveness programs likewise have important career pathway implications for underrepresented minorities in medicine, who face substantial barriers and financial disparities that ultimately leave these students with fewer options to pursue medical education.<sup>8</sup> Loan forgiveness programs are also associated with a physician's intention to work with underserved populations. Moreover, in student populations with greater debt burdens of educational and consumer debt, underrepresented minorities in medicine are nearly twice as likely as other minorities and white students to report intent to work with underserved communities.<sup>9</sup> Undeniably, barriers to adequate student financial assistance disproportionately impact nontraditional students, students from underrepresented communities in medicine, and students with the most financial need.

We strongly urge policymakers to consider how these proposed changes collectively would further stifle physician workforce supply and potentiate a public health crisis. The AAMC reports from 2014 to 2016, there has only been a modest increase of 2.6 percent in the median supply of active physicians per 100,000 of total population in the United States.<sup>10</sup> This bears worthy comparison to the US Census Bureau reporting the total health insurance coverage uninsured rate between 2013 and 2016 decreased by 5.9 percent, which more than doubles the pace of physician workforce growth.<sup>11</sup> The Health Resources and Services Administrations in 2013 projected a shortage of 20,400 physicians in primary care by 2020.<sup>12</sup> According to the AAMC, additional shortages are likewise projected across all medical specialties, reaching over 100,000 by 2030.<sup>13</sup>

Health system reform continues as a top legislative priority because of increasing public support to provide the nation's underinsured and uninsured populations with access to basic insurance coverage for health services. For decades, the narratives around physician and provider workforce policy have outlined priorities in increasing the number and geographic distribution of generalist physicians in primary care, that the physician workforce should reflect the nation's diversity, and that the mix of physicians and other types of providers should be consciously balanced in efforts to control overall healthcare costs.<sup>14</sup>

Ballooning medical trainee debt is an emerging, intersectional variable to consider between health system and education reform. Privatization of medical education financing to supplant the federal

investment in both education and health is not the answer. With respect to medical students and the future healthcare workforce, eliminating federal student loans like GradPLUS loans, thinning income-driven repayment plans, and eviscerating forgiveness options including the Public Service Forgiveness Program in the name of education reform will not work toward the goal of making college more affordable, accessible, or supportive to medical student success.

We appreciate the opportunity to share our views, and are grateful for your time and attention to these matters. AMSA looks forward to working with you on issues of physician workforce development and Higher Education Act reauthorization. For questions or additional information, please contact Pete Thomson, AMSA Chief Communications Officer at 703-620-6600 ext.486, or by emailing [pr@amsa.org](mailto:pr@amsa.org) with AMSA Education and Advocacy Fellow Daniel H. Gouger, MD, copied at [eaf@amsa.org](mailto:eaf@amsa.org).

CC: House Education Staff

Sincerely,



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*Disclaimer: The views, opinions, and interpretations expressed in this statement strictly represent those of the American Medical Student Association only. Reference to other organizations and authors, or inclusion of data and discussion publicly reported by other entities is not intended to signify their official endorsement of the abovementioned stances, concerns, or recommendations.*

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Citations:

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