March 19, 2008

The Honorable Edward Kennedy
United States Senate
Washington, DC 20510

Via Fax: 202-224-2417

Dear Senator Kennedy:

The undersigned organizations commend you for the passage of the House and Senate Higher Education Act (HEA) reauthorization packages in the 110th Congress. We are concerned about the rising cost of medical education and resulting financial debt burden on medical students and residents, particularly for those choosing careers in less remunerative specialties that will find it most difficult to repay these debts.

During the reauthorization of the HEA, Congress has the opportunity to provide much needed relief to medical students and residents. Our organizations are supportive of many provisions in the Senate passed bill, S. 1642, the "Higher Education Amendments of 2007," including efforts to increase transparency in college tuition, lender disclosure requirements, information on loan consolidations, requirements for lenders to report student loan status to each nationwide consumer reporting agency, simplification of the Free Application for Federal Student Aid (FAFSA) form, and programs to enhance the financial literacy of students at institutions of higher education. We are also supportive of provisions in the House passed bill, H.R. 4137, the "College Opportunity and Affordability Act of 2008," including the Government Accountability Office (GAO) study on education-related indebtedness of medical school graduates, increases in the annual Perkins loan limit for graduate/professional students, programs to increase students' financial literacy, increases in college tuition transparency, and disclosure and reporting requirements for lenders and institutions, including information on loan consolidations. We urge you to include all of the above-mentioned provisions in the final House-Senate Conference agreement on the HEA reauthorization.

Helping medical students finance their education and assisting medical students, resident physicians, and young physicians to better manage their high debt burden are top legislative priorities for our organizations.

We therefore applaud the House for creating a loan forgiveness program for those employed in areas of national need. A variety of careers are listed in the legislation including early childhood educators, nurses, librarians, nutrition professionals, mental health professionals, and medical specialists. The bill could be improved, however, by making relief available to a number of medical specialties such as family physicians, general internists, general surgeons, psychiatrists, geriatricians, pediatricians, obstetrician-gynecologists, and osteopaths that should also be considered areas of national need.

Most, if not all, of these specialties are either already in short supply or facing shortages in the near future. For example, the Health Resources and Services Administration (HRSA) estimates that as many as 7,000 additional primary care physicians are currently needed in rural and inner city areas and that this shortage will grow to nearly 66,000 by 2020.

Data from the Association of American Medical Colleges (AAMC) Center for Workforce Studies indicates that family physicians, general surgeons, and obstetricians all saw reductions in the number of filled graduate medical education slots in recent years. AAMC also reports that shortages have been seen in psychiatry and geriatrics since 2003. Data from the most recent Internal Medicine In-Training Examination Survey revealed that the number of third-year internal medicine residents choosing to go into general internal medicine dropped from 54% in 1998 to only 24% in 2006. Our nation's Community Health Centers, that provide vital care for rural and underserved populations, report shortages of primary care physicians, including a 13% shortage of family physicians. An aging population will exacerbate shortages in most of these specialties.

Medical and osteopathic schools are attempting to expand to cover the unmet health care needs of our nation but the cost of a medical education will deter many young Americans from choosing a career in medicine. The average medical school graduate in 2007 carried a debt burden of over $139,000. About 5 percent of all medical students will graduate with debt of $200,000 or more. Students with large debts are much more likely to be influenced by such debt in their career choices and are less likely than in the past to select a specialty such as primary care with expected incomes that make it especially difficult to pay off these loans.

Along with offering loan forgiveness for those employed in areas of national need, we urge you to reinstate the debt-to-income ratio pathway ("20/220 pathway") for economic hardship loan deferment or provide an equivalent funding mechanism for loan deferment in the final HEA reauthorization conference report to enable medical students to better manage their high debt burden during their initial years of residency.

We urge you to include in the final House-Senate conference agreement on the HEA reauthorization provisions that provide meaningful relief for residents in primary care and other critical specialties. This would allow more residents to pursue careers in shortage specialties and better match the physician supply to the nation's medical needs.

We commend you for the passage of the HEA reauthorization packages and look forward to working with you on the reauthorization and ensuring that we have an adequate, well-trained physician workforce to meet the health care needs of our nation.

Sincerely,

American Academy of Family Physicians

American Academy of Pediatrics

American College of Obstetricians and Gynecologists

American College of Physicians

American Geriatrics Society

American Medical Association

American Osteopathic Association

American Psychiatric Association

Society of Hospital Medicine