



February 11, 2020

The Honorable Bobby Scott  
Chairman  
Education and Labor Committee  
United States House of Representatives  
Washington, DC 20515

The Honorable Virginia Foxx  
Ranking Member  
Education and Labor Committee  
United States House of Representatives  
Washington, DC 20515

Dear Chairman Scott and Ranking Member Foxx:

On behalf of the American College of Physicians (ACP), I am writing to express our support for several provisions of the College Affordability Act (CAA), H.R. 4674, that would help students attend medical school by making their student loans under the Higher Education Act (HEA) more accessible and affordable and simplifying and expanding the Public Service Loan Forgiveness (PSLF) program. ACP strongly supports these objectives and greatly appreciates your efforts that will help to ensure an adequate supply of future physicians to meet the nation's growing healthcare needs.

The American College of Physicians is the largest medical specialty organization and the second-largest physician group in the United States. ACP members include 159,000 internal medicine physicians (internists), related subspecialists, and medical students. Internal medicine physicians are specialists who apply scientific knowledge and clinical expertise to the diagnosis, treatment, and compassionate care of adults across the spectrum from health to complex illness.

The United States is facing a growing shortage of physicians in key specialties. The College is particularly concerned about the supply of internal medicine specialists in light of current U.S. Census Bureau projections of 10.3 percent population growth by 2032, including a 48 percent increase in the population over 65.<sup>i</sup> Internal medicine specialists are at the forefront of managing chronic diseases and providing comprehensive and coordinated health care. The skills of internists will be increasingly necessary in taking care of an aging population with a growing prevalence of chronic diseases. Current projections indicate there will be a shortage of at least 21,100 primary care physicians by 2032, and under worst-case circumstances, that shortage could be as high as 55,200.<sup>ii</sup> In fact, according to the Health Resources and Services Administration, a shortage of 14,392 of primary-care physicians and non-physician practitioners already exists.<sup>iii</sup>

ACP is also greatly concerned by the already high and ever-increasing cost of obtaining a medical education and the impact those expenses have on the number of medical students and residents opting to enter careers in primary care. According to the Association of American Medical Colleges, the median medical education debt for indebted medical school graduates in 2019 was \$200,000 and about 70 percent of medical student graduates reported having education debt.<sup>iv</sup>

ACP is supportive of the following provisions of the CAA that would make obtaining a medical education more accessible and strengthen the nation's physician workforce:

**Pell Grants**

ACP greatly appreciates that the CAA would permit students with left over semesters of Pell Grant eligibility after obtaining a bachelor's degree to receive a Pell Grant for the remaining semesters of eligibility during graduate and professional studies, such as medical school.

**Graduate Students Eligible to Receive Federal Direct Subsidized Loans**

The CAA's manager's amendment would make graduate students eligible once again for Federal Direct Subsidized Loans after their eligibility was eliminated by the Budget Control Act of 2011. The CAA would make it possible for graduate students attending medical school to receive subsidized Stafford loans—the same as their undergraduate counterparts. A medical student will be able to save thousands of dollars in interest associated with their loan because the federal government will now cover that interest while he or she receives their medical training during medical school.

**Public Service Loan Forgiveness (PSLF) Program**

The PSLF program was established with the goal of boosting the number of individuals choosing a career pathway in public service or a specific or high-need profession that promotes the overall public good. Borrowers of federal student loans, such as Direct Subsidized Loans and Direct Unsubsidized Loans, including Direct PLUS loans for graduate students, are eligible for the PSLF program across a range of professions, including medicine.

Unfortunately, several issues emerged, especially in the initial years of PSLF program availability that started in 2007, which made the PSLF program difficult to access. These issues resulted in a high percentage of PSLF applications being outright denied and an astonishingly low number of applicants actually getting their loans forgiven after the required 120 payments (usually 10 years) beginning in 2017. There have been reports of servicers failing to place borrowers in the right service plans, qualifying payments being miscounted, employment certification being improperly disqualified, misinformation by loan servicers, and a general lack of education and awareness by applicants due to inadequate outreach and guidance.

ACP feels strongly that the federal government should create incentives for medical students to pursue careers in primary care and practice in areas of the nation with greatest need by developing or expanding programs that eliminate student debt for these individuals—linked to a reasonable service obligation in the field and creating incentives for these physicians to remain in underserved areas after completing their service obligation. Therefore, ACP is pleased by several changes to the PSLF program made by the CAA that will hopefully help extend the program to future physicians and encourage them to choose career paths in public service and nonprofits that help serve the overall public health, especially in primary care and underserved areas.

The CAA would make the PSLF program conform to the CAA's new streamlined repayment plans that are either a fixed repayment plan or an income-based repayment (IBR). Confusion about which repayment plans were eligible led to the denial of many PSLF applications. Accordingly, the CAA would

also permit borrowers who were not in the correct repayment plan and denied PSLF to count those previous monthly payments toward the total required PSLF payments once they opted into the IBR plan. The CAA would also allow previous repayments made towards a FFEL before consolidation into a Direct Loan count towards PSLF payments. The CAA would attempt to remedy the education and awareness deficit surrounding the PSLF program by offering online resources with accurate information, helping applicants determine their PSLF eligibility, and helping applicants submit the required PSLF program forms with an available appeals process if needed. Lastly, the CAA would clarify that physicians in states such as California and Texas where they cannot be directly employed by nonprofit hospitals and were not able to be covered by PSLF are fully eligible to participate in the PSLF program.

### **Perkins Loans**

The CAA reestablishes the Perkins Loan Program—which expired in 2017—as the Federal Direct Perkins Loan Program and would allow higher-education institutions, such as medical schools to make annual low-interest loans for graduate students up to \$8,000. ACP believes that this program can be an important tool in augmenting the financial-aid package provided by higher-education institutions to graduate and professional students who demonstrate exceptional financial need.

### **Protects “Dreamers”**

ACP opposes deportation of undocumented medical students, residents, fellows, practicing physicians, and others who came to the United States as children due to the actions of their parents (“Dreamers”) and have or are eligible for Deferred Action for Childhood Arrivals (DACA) status. While ACP also urges Congress to promptly enact legislation to establish a path to legal immigration status for these individuals to ensure that “Dreamers” are permanently protected from deportation, ACP also strongly supports these individuals having access to federal student loans and other appropriate opportunities. Accordingly, ACP supports the CAA provision that individuals defined as Dreamers are eligible for federal student aid and services under the HEA.

### **The REDI Act**

ACP also [believes](#) that Congress should enact legislation, such as the Resident Education Deferred Interest (REDI) Act, H.R. 1554, which would allow deferment of educational loans throughout the duration of training in primary care residency programs. ACP hopes that the REDI Act could either be included in the CAA before it passes the House of Representatives or considered as a stand-alone bill to relieve clinicians, including physicians, of thousands of dollars of interest while they are participating and completing internship and residency training programs.

We applaud your leadership in developing the CAA and including provisions that would help alleviate medical education debt and support a physician workforce that adequately meet’s the nation’s healthcare needs. We look forward to working with you to advance this legislation and stand ready to serve as a resource for you on any matters regarding the physician workforce. If you have any questions or comments regarding ACP’s physician workforce policy recommendations, please feel free to contact Jared Frost at [jfrost@acponline.org](mailto:jfrost@acponline.org).

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert M. McLean". The signature is written in a light gray or blue ink on a white background.

Robert M. McLean, MD, FACP  
President

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<sup>i</sup> IHS Markit, The Complexities of Physician Supply and Demand 2019 Update: Projections from 2017 to 2032. Prepared for the Association of American Medical Colleges. Washington, DC: Association of American Medical Colleges, April 2019.

<sup>ii</sup> Ibid.

<sup>iii</sup> Bureau of Health Workforce, Health Resources and Services Administration (HRSA), U.S. Department of Health & Human Services, Designated Health Professional Shortage Areas Statistics: Designated HPSA Quarterly Summary, As of December 31, 2019.

<sup>iv</sup> Medical School Graduation Questionnaire, 2019 All Schools Summary Report. Washington, DC: Association of American Medical Colleges, July 2019.