AMERICAN ASSOCIATION OF COLLEGES OF OSTEOPATHIC MEDICINE

September 13, 2018

Comment on Notice of Proposed Rulemaking, Program Integrity: Gainful Employment, Docket ID ED-2018-OPE-0042

On behalf of the American Association of Colleges of Osteopathic Medicine (AACOM), thank you for the opportunity to provide comments on the U.S. Department of Education's Notice of Proposed Rulemaking (NPRM) on Program Integrity: Gainful Employment (GE).

AACOM represents the 34 accredited colleges of osteopathic medicine in the United States. These colleges are accredited to deliver instruction at 51 teaching locations in 32 states. In the current academic year, these colleges are educating nearly 29,000 future physicians—more than 20 percent of all U.S. medical students. Six of the colleges are public and 28 are private institutions.

AACOM supports the Department in its goal to protect students and promote principles of accountability across Title IV federal financial aid programs to ensure that students are well-informed. We recognize the importance of appropriate oversight and understand that a fundamental function of the Department is to ensure that students are well-served by Title IV.

AACOM commends the Department for holding a thoughtful and deliberative negotiated rulemaking process to closely examine GE regulations for their effectiveness for determining continued eligibility for participation in Title IV programs, impact on institutions, and extent to which the regulations enable borrowers to make informed choices regarding their education. As previously stated, AACOM has stressed serious concerns regarding the GE regulations and their one-size-fits all approach that completely disregards factors unique to medical education. We have urged the Department to exempt all U.S. graduate terminal degree medical education programs, whether for-profit, non-profit, or public, from any GE-related requirements. Furthermore, we maintain our concerns with potential federal overreach and the dangerous precedent should these requirements be revised to apply to all U.S. medical schools.

Therefore, we are pleased that the Department recognized the unnecessary financial and administrative reporting burdens caused by the GE regulations, along with other issues, and has rescinded the regulations. As outlined in the NPRM, we agree with the Department that there is a more comprehensive method beyond use of debt-to-earnings (D/E) as a condition of Title IV eligibility. It is crucial to note, however, that mechanisms should be in place to protect borrowers and federal taxpayers from predatory practices across all sectors of the higher education system. The Department should continue to evaluate metrics and methods to ensure that transparency across programs is in place to maintain competitive standards of higher education for our nation.

Relatedly, AACOM is pleased that the Department reviewed and also rescinded disclosures previously included in the 2016 Borrower Defenses to Repayment (BDR) Regulations associated with loan repayment rates for proprietary institutions, including for-profit medical schools. For further information and additional concerns on this issue, we refer the Department to our recently submitted comments on the 2018 BDR NPRM.

AACOM member institutions pride themselves on exceptional graduate and residency placement rates, and these institutions maintain an exceedingly low record of default rates. Individuals aspiring to become licensed, practicing physicians follow a common sequence of course work, clinical

7700 Old Georgetown Road
Suite 250
Bethesda, MD 20814
P 401.968.4100
www.aacom.org

500 New Jersey Avenue, NW
Suite 380
Washington, DC 20001-2005
P 202.844.4217
www.aacom.org

training, and national board exams, regardless of whether they attend a public, non-profit, or for-profit medical school. Medical school graduates, both osteopathic and allopathic, must attend four years of medical school, and then are required to complete additional graduate medical education training, which takes between three–seven years. During this post-graduate training, medical residents earn a stipend; however, that income is generally not sufficient to begin full repayment of educational loans and is certainly not indicative of a future practicing physician's salary.

As a result, medical residents depend on federal financial aid options such as income-based repayment and forbearance to postpone or reduce their obligations until they become independently licensed physicians earning a full salary. Consequently, it is critical that any future policies and regulations proposed by the Department related to loan repayment rate calculations, D/E rates, and Title IV eligibility decisions account for medical schools and the students they train who depend upon these repayment options after graduation. Failure to do so could severely jeopardize or penalize medical students who rely on various federal financial aid assistance programs to help fund their education as they become licensed physicians, further exacerbating the nation's physician workforce shortage. Additionally, although the NPRM acknowledges that it would not be appropriate to use an amortization period of less than 25 years for any graduate program when calculating D/E rates, AACOM continues to emphasize the uniqueness of medical education and training, since further adjustments and considerations to the amortization period may be necessary.

AACOM supports the Department's efforts to ensure that borrowers have access to institutional data to make informed decisions regarding their higher education. As the Department considers implementing new requirements surrounding the Program Participation Agreement, AACOM strongly urges it to convene appropriate stakeholders and closely study the administrative and financial costs associated with these additional disclosures and address any unintended consequences. AACOM believes an open and collaborative process would increase the likelihood of establishing a more thoroughly considered assessment of the measure of postsecondary institutions' value to borrowers and federal taxpayers. This process should also include feedback from specialized and institutional accreditors that are subject to review and recognition by the Department. Furthermore, although we recognize that the focus of the NPRM is not the College Scorecard, the limited information provided regarding this proposed effort leaves many questions regarding implementation. Thus, as updates are made to the College Scorecard or a similar webpage is developed for borrowers to compare institutions and make informed enrollment and borrowing choices, AACOM encourages the Department to provide ample opportunity for public comment and engagement.

Thank you for providing the opportunity to share our views. As the nation faces a physician workforce shortage, it is critical to educate and sustain a future health care workforce to meet the nation's health care needs. AACOM looks forward to working closely with the Department to ensure that medical schools and students are well served by Title IV federal financial aid programs and policies.

If you have any questions or require further information, please contact Pamela Murphy, Senior Vice President of Government Relations, at (202) 844-4217 or pmurphy@aacom.org, or Julie Crockett, Senior Federal Regulatory Affairs Manager, at (202) 844-4231 or jcrockett@aacom.org.