



AMERICAN ASSOCIATION OF
COLLEGES OF OSTEOPATHIC MEDICINE

OFFICE OF THE PRESIDENT

April 24, 2015

Senator Lamar Alexander
Chairman
Committee on Health, Education, Labor and Pensions
428 Senate Dirksen Office Building
Washington, D.C. 20510

On behalf of the American Association of Colleges of Osteopathic Medicine (AACOM), we are pleased to offer comments on the white papers related to the reauthorization of the Higher Education Act (HEA). AACOM strongly supports the reauthorization of the HEA and we look forward to working with the Senate HELP Committee to explore sustainable long-term solutions to lower student debt.

AACOM represents the 31 accredited colleges of osteopathic medicine (COMs) in the United States. These colleges are accredited to deliver instruction at 45 teaching locations in 30 states. In the 2014-15 academic year, these colleges are educating over 24,600 future physicians – more than 25 percent of new U.S. medical students. Accreditation requirements for osteopathic medical schools mandate that each school provide medical care to the community where its students learn, and the current osteopathic medical education model links the osteopathic medical schools' training to the communities in which their students are taught.

High medical education debt threatens to discourage the pursuit of primary care specialties and exacerbates the nation's primary care workforce shortage. Recent graduates of osteopathic medical schools report graduating with an average medical education debt of \$220,945. This is an increase of nearly \$85,000 in the last decade.

AACOM believes there are innovative solutions to address the challenges with the current Title IV federal financial aid program. We support lowering the interest rate caps put in place by the *Bipartisan Student Loan Certainty Act of 2013* for Federal Stafford and PLUS loans to help ensure that education for medical students is affordable. Interest accrued on federal student loans over time significantly adds to the cost of student debt. Lower interest rate caps on student loans would lead to lower debt burdens for osteopathic medical school graduates, many of which enter into the U.S. primary care workforce. Since medical students face significant loan debt when they graduate and rely on the certainty that the costs of paying off these loans will not fluctuate from year to year, support for sustainable and consistent policies that help lower student debt and not increase it is crucial. Furthermore, AACOM supports streamlining student loan

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repayment plans to better inform them of their options and enable them to afford their monthly payments.

AACOM supports accountability and transparency for federal financial aid programs to ensure borrowers are protected and well-informed; however, we continue to express severe concerns with certain federal regulations which continue to cause undue financial and administrative reporting burdens for osteopathic medical schools and contribute to increased costs for the students they train. We greatly appreciate the white paper discussion and encourage further re-examination of these regulations in order to address the hardship they have created for medical education institutions and their students.

The state authorization provisions in the 2010 U.S. Department of Education's (USDE) program integrity regulations create an untenable burden for medical schools by requiring operational compliance in all 50 states. Since state policies vary widely, there is no consistency with the implementation of these provisions across the states. Most osteopathic medical schools have out-of-state clinical rotation sites, and this regulation has left these schools unnecessarily burdened with compliance requirements. AACOM strongly encourages the Committee to directly address the unintended consequences of this onerous requirement.

The gainful employment regulation threatens to impose an even greater financial burden on medical students who accumulate large amounts of debt and rely heavily on various federal loan options. Medical students must meet unique requirements to become licensed physicians. After graduation, medical residents must complete years of post-graduate training for which they receive a small stipend. This income is not sufficient to begin full repayment of educational loans and is certainly not indicative of the future practicing physician's salary. AACOM encourages the Committee to reassess these one-size-fits-all regulations to take into account the unique nature of medical education.

Although AACOM supports the USDE's goal of ensuring that students receive a cost-effective and high quality education, we have specific concerns with the implementation process of the Administration's college ratings system in terms of data, metrics, and the potential regulatory burden on schools and institutions. We suggest greater clarity in the assessment of comparing like institutions with similar missions. Furthermore, the framework states that "a critical purpose of the ratings system is to recognize institutions that are succeeding at expanding access, maintaining affordability, and ensuring strong student outcomes and setting them apart from institutions that need to improve." As you are aware, there are different types of medical schools; these schools should be assessed differently using unique criteria.

AACOM strongly supports creating and enhancing flexible environments for educational innovation and progressive solutions to advance the learning of U.S. student populations, as well as the resources necessary for educational institutions to achieve this innovation. AACOM supported legislation in the 113th Congress, such as H.R. 3136, which promotes competency-based education demonstration projects to promote educational innovation among educational institutions and creates an opportunity for these institutions to have a platform to advance student learning through a forward-looking lens. We encourage the Committee to support more opportunities for these types of innovative proposals to elevate modernized learning models in the 21st century.

AACOM supports providing students, in a streamlined and simplified manner, the necessary resources and tools to enhance financial literacy, as well as helping students manage their loan debt. However, we caution and encourage thoughtful consideration in exploring educational institutions' role in students' educational debt. We do agree with the white paper's assessment that data should help inform policymakers and consumers and that protecting the privacy of student data should continue to be an important role of the federal government, however, we caution against creating any undue burden for educational institutions in collecting relevant data.

Osteopathic medical schools have a strong tradition of graduating future physicians who serve in rural and urban underserved areas, and many of these students participate in programs such as the National Health Care Service Corps (NHSC) and the Indian Health Service and other loan repayment and scholarship programs. Of the new NHSC scholarships and loan repayment awarded to students (DO and MD) in FY14, 30 percent were awarded to DOs. Investing in these programs is critical to addressing educational debt while simultaneously producing primary care physicians and other health professionals in areas of high need across the country.

AACOM supports the Public Service Loan Forgiveness (PSLF) Program and encourages the Committee to continue its support for this successful program, which encourages physicians, health professionals, and other professionals to enter and work full-time in public service jobs. Many medical students with a high loan burden enter this program to reduce payments during their medical residencies, which reduces payments by hundreds to thousands of dollars each month. According to AACOM's 2013-14 Academic Year Graduating Seniors Survey, nearly 60 percent of graduating osteopathic medical students expressed intent to enter the PSLF Program.

Thank you for providing the opportunity to share our views. AACOM looks forward to working closely with the Committee to ensure medical students and schools are well-served by Title IV student financial aid programs.

Respectfully,

A handwritten signature in black ink, appearing to read "SC Shannon". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Stephen C. Shannon, D.O., M.P.H.
President and CEO