



August 11, 2022

The Honorable Miguel Cardona
Secretary
U.S. Department of Education
400 Maryland Avenue, SW, Room 7E307
Washington, D.C. 20202

Re: ED-2021-OPE-0077 - Student Assistance General Provisions, Federal Perkins Loan Program, Federal Family Education Loan Program, and William D. Ford Federal Direct Loan Program

Dear Secretary Cardona:

On behalf of the American Academy of Family Physicians (AAFP), representing 127,600 family physicians and medical students across the country, I write in response to the Department of Education's proposed rule, published in the Federal Register on July 13, 2022, as it relates to major student loan discharge programs - specifically the Public Service Loan Forgiveness (PSLF) program.

The AAFP has long been concerned about the shortage of primary care physicians in the U.S., particularly the supply of family physicians, who provide comprehensive, longitudinal primary care services for patients across the lifespan, including chronic disease management, treatment of acute illnesses, and preventive care. It is projected that we will face a shortage of up to 48,000 primary care physicians by 2034.¹ Primary care is the only health care component where an increased supply is associated with better population health and more equitable outcomes.²

The average student loan debt for four years of medical school, undergraduate studies and higher education is on average between \$200,000 and \$250,000.³ This number will only continue to increase as the cost of medical school continues to rise. In fact, for first-year students in 2020-21, the average cost of attendance increased from the prior year for public medical schools by 10.3 percent, making it likely that medical students will have to carry even larger student loans to graduate.⁴

Physicians will incur the same cost for their medical education whether they enter primary care or specialist fields, but once they complete their training, they will have more difficulty managing their debt in primary care fields due to lower income. For example, when measuring debt as a ratio to income, primary care physicians have approximately double the debt burden as those entering surgical fields.⁵ Research has also shown that loan forgiveness or repayment programs directly influence physician's choices about whether to choose primary care specialties.⁶

Medical school debt is a major source of stress for medical students and young physicians, which is why loan forgiveness programs, such as the PSLF, have become a potential lifeline for those struggling with student debt, especially those who intend to

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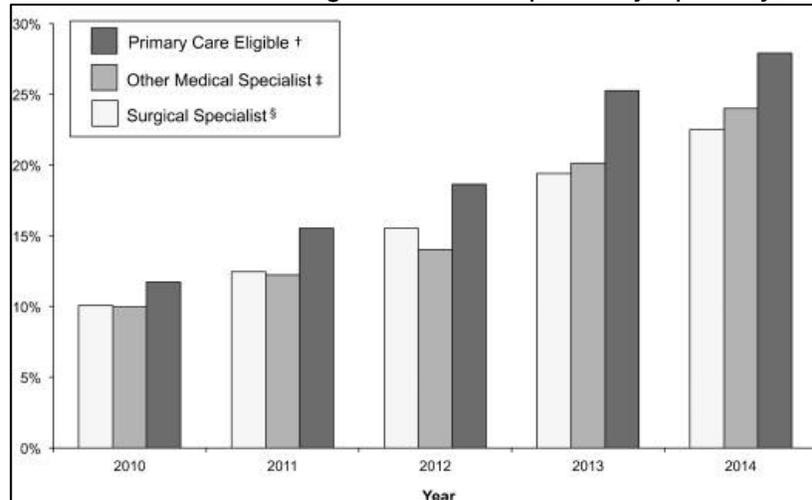
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become primary care physicians. The graph below illustrates that reliance on the PSLF program has only increased over the years, and it is most impactful in primary care. For instance, from 2010 to 2014, the proportion of medical school graduates choosing a primary care specialty and planning to participate in the PSLF program increased from 11.7 to 25.3 percent.

Planned Public Service Loan Forgiveness Participation by Specialty, 2010–2014



To combat rising student debt, the AAFP has [called](#) for expanded funding for federal loan forgiveness and scholarship programs that target family medicine and primary care. The Academy also [supports](#) the deferment of interest and principal payments on medical student loans until after completion of postgraduate training and recommends that the interest on medical student loans be deductible on federal tax returns. The current pause on student loan repayment, interest, and collections instituted in response to the COVID-19 pandemic has provided much needed short-term relief, which has been particularly helpful as family physicians have been financially strained by disruptions to their practice. **We thank the Department for its efforts to reduce the burden of student loan debt and strongly encourage the Secretary to extend the pause on student loans beyond its current expiration date of August 31, 2022.** The AAFP recognizes that a long-term solution is needed to comprehensively address the student debt issue, and we have been [urging](#) Congress to pass common sense solutions – such as allowing borrowers to defer interest on their student loans during their residency program.

Expanding PSLF Program Eligibility to Correct Oversight

Congress enacted the PSLF in 2007 to encourage careers serving the public good and to improve access to health care by making it easier for physicians to pursue careers working in nonprofit community hospital/clinic settings. The implementing regulations inadvertently excluded California (CA) and Texas (TX) physicians who treat patients in private, nonprofit community hospitals, children’s hospitals, and rural hospitals from participating because CA and TX state laws prohibit private nonprofit hospitals from directly employing physicians. In effect, physicians in CA and TX that meet the full spirit of the PSLF program cannot qualify for loan forgiveness due to a technical legal distinction concerning “employment” of physicians that stems from laws unique to these states. In California alone, there are up to 7,000 new

physicians providing care in nearly 270 nonprofit hospitals and clinics who could be eligible for the PSLF program.⁸

CA and TX are projected to have significant physician shortages over the next decade due to growing and aging populations, and an aging physician workforce - roughly one-third of physicians are over age 60, and half are over age 50.⁹ **The current PSLF program eligibility places CA and TX at a severe disadvantage in recruiting new physicians, particularly minority physicians who are more likely to need loan forgiveness assistance, and harms patient access to care in our most marginalized communities.**

Proposed Solution

We applaud the Department's recognition and willingness to correct this oversight that unfairly impacts physicians who work in but are not employed by nonprofit hospitals. **We urge the Department to modify existing PSLF eligibility requirements to support the inclusion of all physicians providing patient care at nonprofit hospitals regardless of employment type (direct employee or contract employee).** Physicians in qualifying hospitals can confirm their eligibility for the PSLF program by submitting a letter of certification from an authorized hospital official that the physician works full-time at the nonprofit hospital or its clinics and has certified medical staff privileges to admit and treat patients in the facility. This fix would help address physician shortages in underserved communities and would allow physicians in all states and territories to have equal opportunity to participate in the PSLF program.

Correcting the PSLF eligibility to include all physicians providing care in nonprofit hospitals is consistent with the President's January 20, 2021 [executive order](#) that called for advancing racial equity and support for underserved communities. **Ensuring equitable participation in the PSLF program will help attract more physicians to practice in safety net hospitals, make it more financially viable for them to specialize in primary care, and creates more pathways for students from low-income backgrounds to become physicians. This in turn will improve access to health care in underserved communities, diversify the health care workforce, and advance health equity.**

Thank you for the opportunity to provide comments as they relate to the PSLF program. The AAFP stands ready to partner with the Department of Education to address the growing burden of student debt and its negative impact on the primary care physician shortage. Should you have any questions, please contact Meredith Yinger, Manager, Regulatory Affairs, at myinger@aafp.org or 202-235-5126.

Sincerely,

A handwritten signature in black ink that reads "Ada D. Stewart, MD". The signature is written in a cursive, flowing style.

Ada D. Stewart, MD, FAAFP
Board Chair, American Academy of Family Physicians

¹ IHS Markit Ltd. *The Complexities of Physician Supply and Demand: Projections From 2019 to 2034*. Washington, DC: AAMC; 2021.

² National Academies of Sciences, Engineering, and Medicine. 2021. *Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care*. Washington, DC: The National Academies Press. <https://doi.org/10.17226/25983>.

³ Hanson, M. (2021, July 25). Average medical school debt. EducationData.org. Retrieved October 12, 2021, from <https://educationdata.org/average-medical-school-debt>.

⁴ AAMC. (2022, March). *Tuition and student fees reports*. AAMC. Retrieved August 2, 2022, from <https://www.aamc.org/data-reports/reporting-tools/report/tuition-and-student-fees-reports>

⁵ Friedman AB, Grischkan JA, Dorsey ER, George BP. Forgiven but not Relieved: US Physician Workforce Consequences of Changes to Public Service Loan Forgiveness. *J Gen Intern Med*. 2016 Oct;31(10):1237-41. doi: 10.1007/s11606-016-3767-2. Epub 2016 Jun 13. PMID: 27295187; PMCID: PMC5023611.

⁶ Scheckel CJ, Richards J, Newman JR, Kunz M, Fangman B, Mi L, Poole KG Jr. Role of Debt and Loan Forgiveness/Repayment Programs in Osteopathic Medical Graduates' Plans to Enter Primary Care. *J Am Osteopath Assoc*. 2019 Apr 1;119(4):227-235. doi: 10.7556/jaoa.2019.038. PMID: 30907961.

⁷ Friedman AB, Grischkan JA, Dorsey ER, George BP. Forgiven but not Relieved: US Physician Workforce Consequences of Changes to Public Service Loan Forgiveness. *J Gen Intern Med*. 2016 Oct;31(10):1237-41. doi: 10.1007/s11606-016-3767-2. Epub 2016 Jun 13. PMID: 27295187; PMCID: PMC5023611.

⁸ <https://www.cmadoes.org/newsroom/news/view/ArticleId/32041/TMA-joins-CMA-to-urge-U-S-education-secretary-to-fix-loan-forgiveness-program>

⁹ Zhang, X., Lin, D., Pforsich, H. *et al*. Physician workforce in the United States of America: forecasting nationwide shortages. *Hum Resour Health* 18, 8 (2020). <https://doi.org/10.1186/s12960-020-0448-3>.