



April 12, 2007

The Honorable George Miller
Chairman
Committee on Education and Labor
2205 Rayburn House Office Building
United States House of Representatives
Washington, D.C. 20515

Association of
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Darrell G. Kirch, M.D.
President

Dear Mr. Chairman:

On behalf of the Association of American Medical Colleges (AAMC), I am pleased to submit several recommendations we hope you will consider when reauthorizing the Higher Education Act during the 110th Congress. The AAMC is a nonprofit association representing all 125 accredited U.S. medical schools, nearly 400 major teaching hospitals and health systems, and 96 academic and scientific societies. Through these institutions and organizations, the AAMC represents 109,000 faculty members, 67,000 medical students, and 104,000 resident physicians.

Medical students tend to borrow significantly higher amounts than other cohorts of borrowers, based upon requirements of a medical education. In 2006, the average educational debt of medical school graduates was \$130,571, an 8.5 percent increase over 2005. The AAMC believes it is necessary to provide affordable options for the nation's neediest students and to create a repayment system that allows the nation's next generation of physicians to complete their training without undue concern and preoccupation about their substantial debt.

In light of these current trends in financing medical education, the AAMC recommends:

- ▶ **Increasing the annual and aggregate subsidized Stafford loan limits for graduate and professional students**—With the high debt levels of medical school graduates, many medical students come up against the annual and even the aggregate limits for federal Stafford education loans. The current limits have not been raised in over a decade and have failed to keep pace with the rate of inflation. The AAMC recommends increasing the current annual subsidized Stafford loan limit for graduate and professional students from \$8,500 to at least \$12,000. Accordingly, the AAMC also recommends increasing the aggregate subsidized Stafford loan limit for graduate and professional students from \$65,000 to at least \$89,000; and
- ▶ **Extending the Economic Hardship Deferment (HRD) to include the duration of medical residencies or fellowships**—Many medical residencies are longer than the three years currently covered by HRD, some lasting as long as eight years. In their fourth post-graduate year, resident physicians are forced to make loan repayments that average close to 40 percent of their monthly income. This level of repayment is a substantial burden, and forbearance is an expensive alternative as interest continues to

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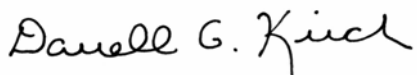
accrue and capitalize on outstanding loans. Extending HRD for medical residents who continue to meet the qualifying debt-to-income ratio will postpone repayment for the most needy residents until they complete residency training and can realistically afford to begin substantial loan repayments.

Proposed legislative language for these two recommendations is attached for your consideration. The AAMC has endorsed the "Medical Education Affordability Act" (S. 1066) sponsored by Senators Christopher Dodd (D-Mass.), John Kerry (D-Mass.), Richard Durbin (D-Ill.), and Russ Feingold (D-Wis.). Our proposed legislative language to expand the economic hardship is derived from this bill.

The AAMC would also reiterate our concerns with accreditation provisions included in Higher Education Act reauthorization bills (H.R. 609 and S. 1614) of the previous Congress. The AAMC objects to the proposed changes to 20 U.S.C. 1099b(a)(4)(A) and 20 U.S.C. 1099b(a)(8). In brief, the AAMC recommends that public disclosure of accrediting agencies' findings and official "comments of the affected institution" be at the discretion of the institution, as is the current procedure. Furthermore, the AAMC recommends the deletion of "mission" related language from the standards for accrediting agencies. A more comprehensive explanation of current accreditation procedures, the proposed changes, and the AAMC recommendations is attached.

We encourage leaders in the House and Senate to respond to these concerns about rising levels of medical educational debt. The AAMC supports the development of a physician workforce capable of caring optimally for our increasingly diverse and aging population. In the face of a looming physician shortage, the aforementioned changes are important to ensuring an appropriate supply of well-educated and trained physicians to provide quality health care for all Americans. We look forward to working with you this year on the reauthorization of the Higher Education Act. If you have any questions, please contact Matthew Shick on my staff at <mshick@aamc.org> or 202-828-0525.

Sincerely,



Darrell G. Kirch, M.D.

attachments

cc: House Committee on Education and Labor



SEC. 1. SUBSIDIZED STAFFORD LOAN LIMITS FOR GRADUATE OR PROFESSIONAL STUDENTS .

(a) Annual Subsidized Stafford Loan Limits for Graduate or Professional Students- Section 425(a)(1)(A) (20 U.S.C. 1075(a)(1)(A)) is amended in clause (iv), by striking '\$8,500' and inserting '\$12,000.'

(b) Aggregate Subsidized Stafford Loan Limits for Graduate or Professional Students- Section 425(a)(2)(A) (20 U.S.C. 1075(a)(2)(A)) is amended in clause (ii), by striking '\$65,500' and inserting '\$89,000.'

(c) Effective Date of Increases- The amendments made by subsections (a) and (b) shall be effective July 1, 2008.

SEC. 2. REGULATION REVISION REQUIRED.

(a) Action Required- Not later than 90 days after the date of enactment of this Act, the Secretary of Education shall revise the regulations of the Department of Education that are promulgated to carry out the provisions relating to student loan repayment deferment under the Federal Family Education Loan Program under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.), the William D. Ford Federal Direct Loan Program under part D of title IV of such Act (20 U.S.C. 1087a et seq.), and the Federal Perkins Loan Program under part E of title IV of such Act (20 U.S.C. 1087aa et seq.), which are promulgated under sections 682.210, 685.204, and 674.34 of title 34, Code of Federal Regulations, to comply with the requirements of subsection (b).

(b) Requirements- The student loan repayment deferment regulations shall be revised to provide, with respect to a borrower who is in a postgraduate medical or dental internship, residency, or fellowship program, that if the borrower qualifies for student loan repayment deferment under the economic hardship provision—

(1) the deferment shall be available for the length of the internship, residency, or fellowship program if the program--

(A) must be successfully completed by the borrower before the borrower may begin professional practice or service; or

(B) leads to a degree or certificate awarded by a health professional school, hospital, or health care facility that offers postgraduate training.



November 15, 2005

The Honorable John Boehner
Chairman
Committee on Education and the Workforce
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Jordan J. Cohen, M.D.
President

Dear Mr. Chairman:

On behalf of the Association of American Medical Colleges (AAMC), I write to offer comments on the accreditation provisions (20 U.S.C. 1099b) of the Higher Education Act (HEA) reauthorization legislation before the 109th Congress. The AAMC and the American Medical Association (AMA) jointly sponsor the Liaison Committee on Medical Education (LCME), which is recognized by the U.S. Department of Education as the accrediting authority for educational programs leading to the M.D. degree in U.S. medical schools. The AAMC represents the nation's 125 accredited allopathic medical schools, some 400 major teaching hospitals and health systems, 94 academic and professional societies representing 109,000 faculty, and the nation's medical students and residents.

We appreciate the bipartisan efforts in both Chambers that created the "College Access and Opportunity Act" (H.R. 609) and the "Higher Education Amendments Act" (S. 1614). However, we are concerned with several of the changes made to the accreditation criteria, procedures, and disclosure policies.

LCME Current Procedure

In accordance with current law, the LCME publishes only the accreditation status of each school in several formats, including a current listing of status on the public portion of the LCME web site, <<http://www.lcme.org/>>. The LCME also responds to inquiries from licensing authorities and others about the accreditation history of an individual medical school. Following action by the LCME, a "Letter of Accreditation" transmitting the accreditation decision and a copy of the survey report are sent by the principal LCME Secretary to the president of the university (or the equivalent chief executive of the academic institution), with a copy to the dean of the medical school. The "Letter of Accreditation" includes a summary of findings for each area of partial or substantial noncompliance with accreditation standards, as well as specification of any follow-up required by the LCME. The survey report and the letter transmitting the accreditation decision are held confidential by the LCME; however, the medical school, at its discretion, may disclose the final report or any portion thereof to the public. Additionally, the LCME annually reports a list of all agency actions to the Secretary of Education.



Accreditation Changes in HEA Reauthorization

Change: Current law (20 U.S.C. 1099b(a)(8)) requires that a “summary of any review” resulting in a final adverse accrediting decision, including “denial, termination, or suspension of accreditation,” shall be made available to the public, the Secretary of Education, and the State licensing or authorizing agency. The Senate legislation proposes that “a summary of agency or association actions,” including the award of accreditation, reaccreditation, and placement on probation be disclosed to the public.

AAMC Recommendation: The intent of the proposed legislation is unclear and appears to allow for at least two possibilities:

(1) If the proposed “summary of agency actions” requires more detail regarding the findings and conclusion of each institutional review than the final accreditation action, the AAMC believes public disclosure of such a summary is ill-advised. The LCME currently provides all findings in its “Letter of Accreditation” to the institution. Release of this information or of a summarized version without explanation and context could easily be misconstrued by the public and result in reputational or economic damage to the medical school. The AAMC believes the disclosure of any findings should be at the discretion of the institution, as is the current procedure. In light of current procedure and assuming a summary is required for each institutional review, the AAMC recommends that the proposed amendments to 20 U.S.C. 1099b(a)(8) omit the phrase “make available to the public.”

(2) If the LCME’s current annual report to the Secretary and the information posted on the LCME web site is congruent with the proposed amendments that call for a “summary of agency or association actions,” the AAMC can support public disclosure. The annual report includes a list of agency actions by institution, which equates to the web-published accreditation status of each institution. The AAMC believes that this interpretation of a “summary of agency actions” is more prudent. However, in this context it is difficult to understand the need for public disclosure of “comments of the affected institution” from the House bill and “together with the official comments of the affected institution” from the Senate bill in their amendments to 20 U.S.C. 1099b(a)(8). Thus, we would propose the deletion of these two phrases. While the LCME will continue to accept comments of the affected institution, public disclosure should again be at the discretion of the institution.

Change: S. 1614 also adds “any findings made in connection with the action taken” to the requirements included in a summary of agency actions under amendments to 20 U.S.C. 1099b(a)(8).

AAMC Recommendation: The LCME “Letter of Accreditation” contains detailed information about findings in areas of partial or substantial compliance with accreditation standards, as well as identification of “areas of transition” whose outcome could result in noncompliance in the future. This information would be difficult for the public to interpret without appropriate context. The Letter of Accreditation does not distinguish areas of noncompliance that could easily be remedied by the school from those that might require substantial time and resources to remediate. The AAMC believes that the medical school is best positioned to provide the appropriate context for disclosure of findings to public constituencies. In this sense, the AAMC believes the disclosure of this report and any findings should be at the discretion of the institution. Thus, the AAMC recommends that “any findings made in connection with the action taken” be stricken from the Senate’s reauthorization language.



Change: S. 1614 proposes that accrediting associations or agencies enforce only standards that “respect the stated mission of the institution of higher education, including religious missions,” amending 20 U.S.C. 1099b(a)(4)(A). Similarly, H.R. 609 adds “that consider the stated missions of institutions of higher education, including such missions as inculcation of religious values.”

AAMC Recommendation: The intent of S.1614 is unclear and the requirement that accrediting associations “respect the stated mission” could be misconstrued to suggest that the LCME compromise its standards in deference to a school’s mission. As the accrediting authority for educational programs leading to the M.D. degree, the LCME plays a unique role in ensuring that health care providers meet professional standards and public expectations. The LCME does consider the school’s mission in its current process in matters such as focus on preparation of graduates for primary care, emphasis on research and goals for diversity. LCME’s concession to an institution’s mission, should it stray from the interests of public health, would contradict LCME’s civic responsibilities. This new requirement seems to suggest that some accreditation standards could be over-ridden by other concerns related to institutional mission. For example, would consideration of the “stated mission” of a for-profit medical school require the LCME to relax or waive its standards relating to minimization of student debt, maintenance of an environment of scholarly productivity, or participation of the faculty in governance? The LCME must ensure that graduates of accredited medical schools are prepared, by both the educational experience and the example of their teachers, to provide competent, compassionate care for all. Consequently, the AAMC would recommend deletion of mission-related language from reauthorization legislation.

Should you have any questions regarding the AAMC’s concerns, please do not hesitate to contact Matthew Shick at <mshick@aamc.org>, or 202-828-0525. Thank you again for the opportunity to share the AAMC’s recommendations on behalf of the LCME and the medical schools we represent.

Sincerely,

A handwritten signature in black ink, appearing to read "Jordan J. Cohen". The signature is fluid and cursive, with the first name "Jordan" being the most prominent part.

Jordan J. Cohen, M.D.