

October 17, 2017

The Honorable Betsy DeVos
Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Re: Public Service Loan Forgiveness

Dear Secretary DeVos:

On behalf of our physician and medical student members, the American Medical Association (AMA) urges the U.S. Department of Education (DOE) to adjust the methodology used to determine eligibility for Public Service Loan Forgiveness (PSLF) such that the profit status of a physician's training institution not be a factor for eligibility.

The PSLF allows debt relief for medical professionals who make 120 monthly payments on their educational loans while working for a non-profit entity. Although most residency and fellowship programs are located in non-profit institutions, the for-profit or non-profit status of programs is not generally readily discernible to a medical student or resident investigating training options. Additionally, residents and fellows who are training in a non-profit university-based residency or fellowship program will be excluded from the PSLF if they are officially employees of an affiliated for-profit hospital or health system. To date, no one has actually qualified for the PSLF. The earliest date an applicant can qualify is October 2017, at which point the program will have been in existence 120 months.

During the match process, medical students may not be aware of or have access to information about the for-profit status of the entity that will pay their salary. Graduate medical education often takes place within complicated institutional arrangements of "sponsoring" and "participating" institutions. Even if residents and fellows rotate to several non-profit clinical sites, and funds are contributed to that salary by non-profit or government institutions, the institution writing the salary check may not be non-profit and thus not be a qualifying employer for the PSLF. Furthermore, they are obligated by their binding agreement with the National Resident Matching Program (NRMP) to begin training at the institution to which they are

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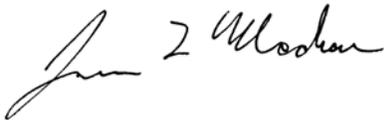
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matched, even if it precludes their participation in PSLF.¹ Finally, mergers and takeovers of hospitals can create a situation in which trainees who had been working in a non-profit hospital may find their salaries subsequently paid by a for-profit.

Accordingly, the AMA urges the DOE to adjust the methodology used to determine eligibility for the PSLF such that the profit status of a physician's training institution is not a factor. Moreover, we urge the DOE to clarify that the terms that existed at the time a medical student or resident entered into a PSLF agreement should remain unchanged in the event of any future restrictive changes.

Should you have any questions, please contact Jason Scull, Assistant Director, Federal Affairs at jason.scull@ama-assn.org or 202-789-4580.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim L Madara". The signature is written in a cursive, flowing style.

James L. Madara, MD

¹ Daily M. Docs push for loan forgiveness. MD Magazine. June 27, 2016. <http://www.mdmag.com/medical-news/docs-push-for-loan-forgiveness>. Accessed August 2, 2016.