POLITICS & REGULATION

Federal borrowing limited for advanced practice provider students

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The Education Department finalized a rule Thursday capping federal borrowing limits for graduate-level aspiring healthcare providers. (Pete Kiehart for The Washington Post via Getty Images)

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Key Takeaways

- The Education Department has filed a final rule that lowers loan borrowing limits for healthcare professionals.
- Some advanced practice provider students face lower borrowing limits.
- Industry leaders voiced concerns.

The Education Department finalized a rule Thursday capping federal borrowing limits for graduate-level aspiring healthcare providers.

The final rule, slated to go into effect July 1, will impose an annual borrowing limit of $50,000 annually, or a total of $200,000, for “professional” degree programs, including medical school.

The Education Department's definition of "professional degree" excludes those granted to other graduate-level clinicians such as nurse practitioners or physician assistants. Federal loans for those categories of students will be capped at $20,500 annually or a total of $100,000. Trade groups representing physician assistants said they plan to challenge the rule in federal court.

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Students previously were able to borrow up to the full cost of attendance.

"Collectively, these changes will ensure students continue to have access to federal student loans while helping prevent borrowers from taking on unmanageable debt levels they may never be able to repay," the department said in a Thursday news release.

The department added the rule will save taxpayers $409 billion by "eliminating excessive, illegal loan forgiveness schemes" and will reduce student loan debt by $224 billion by preventing overborrowing.

The rule also will allow academic institutions to establish loan caps for their programs.

The rule comes at a time when advanced practice providers are in high demand to combat ongoing clinician staffing shortages, primarily regarding physicians.

The PA Education Association and the American Academy of Physician Associates said they plan to challenge the rule under the Administrative Procedure Act.

"The consequences of this decision and excluding PAs from qualifying for federal professional student loans will create unnecessary barriers to PA education and undermine efforts to strengthen the healthcare workforce at a time of growing national need," the groups said.

Several other trade groups, providers and additional industry leaders — including the American Academy of Family Physicians, the American Nurses Association and the Medical Group Management Association — have expressed concerns since the rule was proposed in November about its effect on the clinician pipeline.

“Staffing remains a critical challenge for medical group practices, and the final rule will exacerbate existing shortages, hinder recruitment across essential clinical roles, and negatively impact patient access to care,” said Anders Gilberg, senior vice president of government affairs for MGMA, in a statement Thursday.

“Many of our physician groups are now proud to rely on advanced practice nurses as key members of their primary care teams helping to provide optimal care for patients. This proposal will adversely affect the future supply of advanced practice nurses and the health and health care of patients and is inappropriate and ill-advised,” said Susan Dentzer, president and CEO for America’s Physicians Groups, in a statement.

“The Department of Education … risks unintentionally but significantly harming the aging services workforce by excluding entire professions that are essential to the care of older adults, including advanced practice nurses, physician assistants, social workers, and rehabilitation therapists such as physical and occupational therapists,” said LeadingAge in a statement.

The Association of American Medical Colleges in a statement noted federal loan limits could particularly affect low-income, rural and nontraditional medical students.

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