



December 1, 2020

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
S-230 U.S. Capitol
Washington, D.C. 20510

The Honorable Charles Schumer
Minority Leader
U.S. Senate
S-221 U.S. Capitol
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-232 U.S. Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204 U.S. Capitol
Washington, D.C. 20515

RE: Public Service Loan Forgiveness Parity for California and Texas Physicians: Urgent Technical Fix

Dear Leaders McConnell and Schumer, Speaker Pelosi, and Leader McCarthy:

On behalf of the more than 100,000 physicians, residents, and medical student members of the California Medical Association (CMA) and the Texas Medical Association (TMA), the hundreds of hospitals represented by the California Hospital Association (CHA) and the Texas Hospital Association (THA), and our patients, we are writing to urge you to include HR 4607 (Harder/Cook) and S 3746 (Cornyn/Feinstein), the "Stopping Doctor Shortages Act," in the next COVID-19 relief package or other year-end legislation.

The "Stopping Doctor Shortages Act" provides a technical clarification to the federal Public Service Loan Forgiveness Program that inadvertently excluded physicians in California and Texas from participating in the program because of our state laws. The original legislation enacted by Congress did not require physicians to be directly employed by a nonprofit institution. However, the Department of Education's 2008 regulations that implemented the legislation were narrowly crafted to require direct employment; because our state laws prohibit facility employment of physicians, California and Texas physicians were unintentionally excluded from the program. Physicians in all of the other 48 states participate in the program. Our exclusion is severely limiting our ability to recruit and retain physicians because they

cannot receive loan forgiveness in California or Texas, and the inequity ultimately harms patient access to physicians.

California and Texas are experiencing serious physician shortages. We have some of the lowest primary care-to-patient ratios in the nation, with patients forced to travel long distances to find primary care, specialty care, and mental health services. Because the average medical school loan debt is now \$250,000-\$300,000, most young physicians must seek some form of loan forgiveness to cover their debt. In our rural regions, the vast majority of physicians leave after they finish their medical residency training because they cannot get loan forgiveness. Finally, the physician population in underserved and rural communities is aging, and we must be able to compete on a level-playing field with other states to attract newly trained young physicians in order to care for patients in these communities.

Therefore, we are urging a technical fix to ensure parity for California and Texas so that physicians in all 50 states are afforded the same opportunity for loan forgiveness after they have served for 10 years in a nonprofit community hospital or clinic. This important legislation will improve access to care, particularly in children's and community hospitals in underserved communities.

Significantly, the situation has become particularly acute during the COVID-19 pandemic when patients more than ever need timely access to critical care. At the same time, physician practices are struggling to survive financially and maintain access to care. According to a recent CMA survey, physician practice revenue continues to be down by 35-40% this fall, and COVID-19 related costs are up 14%. In California's rural areas, 60% of the primary care practices that closed earlier in the year have not reopened. This legislation would greatly help physicians in our states remain in practice and meet the challenges of the COVID-19 pandemic as it surges on.

We respectfully urge you to include Public Service Loan Forgiveness Program parity for California and Texas physicians in any year-end legislation — a critical step in serving the public interest by protecting access to physician care in nonprofit community hospitals, children's hospitals, and rural hospitals across California and Texas.

Sincerely,



Dustin Corcoran, CEO
California Medical Association



Michael Darrouzet, CEO
Texas Medical Association



Carmela Coyle, President & CEO
California Hospital Association



Ted Shaw, President & CEO
Texas Hospital Association