



August 11, 2022

The Honorable Miguel Cardona
Secretary

U.S. Department of Education
400 Maryland Ave SW
Washington, DC 20202

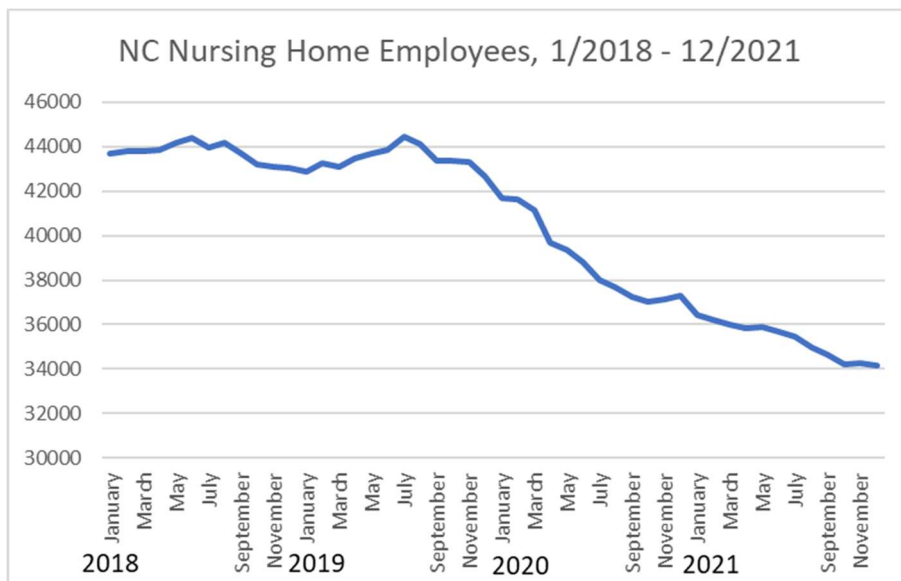
VIA: Federal eRulemaking Portal at Regulations.gov; and via email

RE: Federal Register Number 2022-14631 -- NPRM on Student Assistance General Provisions, Federal Perkins Loan Program, Federal Family Education Loan Program, and William D. Ford Federal Direct Loan Program

Dear Secretary Cardona,

I am writing on behalf of the nearly 400 nursing homes across North Carolina that are members of the North Carolina Health Care Facilities Association to ask that you include individuals working in Medicare and/or Medicaid-program-participating nursing homes in the Public Service Loan Forgiveness (PSLF) program. The action would benefit not only those individuals caring for our state’s frail elderly who need round-the-clock medical care but also help to make elder care a realistic career path for nurses and others with student loan debt, and the enabling statute gives you the authority to take this action.

There is a worsening workforce crisis in nursing homes. North Carolina nursing homes have lost net nearly 10,000 employees since the COVID-19 pandemic began.



Data from the Bureau of Labor Statistics (charted above) shows the number of employees in NC skilled nursing facilities dropped by 10,000 employees from January 2018 to December 2021. **This amounts to roughly 22% of our workforce.** Particularly concerning, the number of employees has declined almost every month during the pandemic.

Nursing homes' workforce crisis pre-dated, but was exacerbated by, the COVID-19 pandemic. Years of underfunding in this sector, which relies on the Medicare and Medicaid programs for the vast majority of its revenue, has resulted in persistently low wages. The rate of pay for nursing home employees is the number one area of job dissatisfaction.¹ The problem of low wages is made worse in that many positions in a nursing home require a professional license that itself requires at least multiple semesters of college training.² Even where not required, most employees (59%) in unlicensed positions have some college education,³ and very likely the debt that typically goes along with it.

We need to make it easier for individuals both already working in long-term care and those who would like to enter the field.

According to the National Student Nurses' Association, nearly 70% of nursing students finance their education with student loans, accumulating debt of nearly \$80,000 in some cases. Graduate degree nurses accumulate a median debt of more than \$40,000 according to the American Association of Colleges of Nursing.⁴

Not only is student loan debt a barrier to entry for nursing students and graduates, but student loan debt is also a burden for all who are in or wish to enter a career in long term care. As I'm sure you are aware, the average federal student loan debt for a North Carolinian is \$37,217.⁵ That amount alone is a significant burden or barrier as the case may be, but this debt even more significantly impacts people of color as Black and African American borrowers have an average federal student loan debt nationwide of \$57,770;⁶ and the highest average amount of federal student loan debt is owed by Black women.⁷ Overall, 58% of student loan debt is owed by women.⁸ The workforce in NC nursing homes is overwhelmingly female (93%),⁹ and Black or African American individuals make up the largest percentage of our workforce (49%).¹⁰

¹ Adam Sholar, *The Caregiving Crisis: Significant Changes Needed to Fill the Void of Caregivers in North Carolina Nursing Homes*, North Carolina Medical Journal, September 2021, 82 (5) available at <https://www.ncmedicaljournal.com/content/82/5/333>

² Education Overview, North Carolina Board of Nursing, available at <https://www.ncbon.com/education-overview>

³ Workforce Data Center: Educational Attainment, North Carolina. PHI. Accessed September 24, 2021.

<https://phinational.org/policy-research/workforce-data-center/#var=Educational+Attainment&states=37>

⁴ See NurseJournal Staff, Student Loan Forgiveness for Nurses, Sept. 9, 2021 available at

<https://nursejournal.org/resources/student-loan-forgiveness-for-nurses/>

⁵ Melanie Hanson, Average Student Loan Debt, July 10, 2021 available at <https://educationdata.org/average-student-loan-debt>

⁶ Id.

⁷ Id.

⁸ Id.

⁹ Workforce Data Center: Gender, North Carolina. PHI. Accessed September 24, 2021.

<https://phinational.org/policy-research/workforce-data-center/#var=Gender&states=37>

¹⁰ Workforce Data Center: Race and Ethnicity, North Carolina. PHI. Accessed September 24, 2021.

<https://phinational.org/policy-research/workforce-data-center/#var=Race+and+Ethnicity&states=37>

Not only should those working in nursing homes be eligible for the PSLF program due to current circumstances, but also to prepare for future growth. According to NC DHHS, “[i]n the next two decades, our 65 and older population will increase from 1.7 to 2.7 million, a projected growth of 56%. The projected growth among the age groups 65-74 (29%), 75-84 (87%) and 85+ (116%) indicates that as the baby boomers continue to age, there will be an increased proportion of older adults in the state creating challenges for long-term services and supports,”¹¹ like care in nursing homes.

The solution is to amend 34 C.F.R. 685.219 to allow employees of organizations that provide non-governmental public service/public health and participate in the Medicare and/or Medicaid programs to be eligible for the PSLF program.

The specific change we request is as follows:

Proposed Modification To Proposed 34 C.F.R. § 685.219(b)

Qualifying employer means:

- (i) A United States-based Federal, State, local, or Tribal government organization, agency, or entity, including the U.S. Armed Forces or the National Guard;
- (ii) A public child or family service agency;
- (iii) An organization under section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of the Internal Revenue Code;
- (iv) A facility defined by sections 1819(a) or 1919(a) of the Social Security Act;
- (v) A Tribal college or university; or
- (vi) A nonprofit organization that—
 - (A) Provides a non-governmental public service as defined in this section, attested to by the employer on a form approved by the Secretary; and
 - (B) Is not a business organized for profit, a labor union, or a partisan political organization.

¹¹ NC DHHS, Division of Aging and Adult Services, *North Carolina is Aging!*. Accessed September 24, 2021. Available at: <https://www.ncdhhs.gov/media/10591/open>

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The definition of ‘qualifying employer’ (whose employees are eligible for the PSLF program) proposed by the Department in the draft regulation excludes entities who provide non-governmental public service (which includes public health functions of employing health care practitioner and health care support occupations), if those entities are organized for-profit. That decision excludes the employees of 71% of nursing homes nationally,¹² and a similar percentage in NC. The entity’s tax status should not play such a consequential role in access to this program for healthcare heroes caring for individuals in nursing homes. The enabling statute for this regulation does not require access to the program to be denied to those who work for for-profit entities, so long as the employer or employee is engaged in certain activities (e.g., public services for the elderly, full-time professionals engaged in health care practitioner occupations and health care support occupations).¹³

Moreover, the proposed regulation on which this letter comments discusses the possibility and seeks feedback extending PSLF to doctors in for-profit enterprises who work with non-profit hospitals, as well as for-profit early childhood education employers. Nursing homes that agree to participate in Medicare and/or Medicaid are known entities to the US Department of Health and Human Services and file detailed reports with government entities annually on their operations. They are also inspected regularly by CMS and its contractors. None of the reasons why the Department has listed in this proposed regulation for excluding for-profit entities (less transparency and requiring more intensive investigation) apply to nursing homes with Medicare/Medicaid contracts. The vast majority of employees of nursing homes provide healthcare services, and the majority of individuals receiving care in nursing homes are having their care paid for by governmental health care financing programs—either Medicare or Medicaid. **Those individuals who are providing that care should be eligible for PSLF, and we respectfully ask that the proposed rule be changed before being finalized to allow this.**

These comments are supported by the North Carolina Coalition on Aging,¹⁴ a statewide group advocating on behalf of the state's two million older Americans. Thank you for your consideration in this matter. Please contact me with any questions at adams@nchcfa.org.

Sincerely,

/s

Adam Sholar
President and CEO

¹² Medicare Payment Advisory Commission, Report to the Congress: Medicare Payment Policy, March 2021, available at http://medpac.gov/docs/default-source/reports/mar21_medpac_report_to_the_congress_sec.pdf

¹³ 20 U.S.C. § 1087e(m)

¹⁴ The Coalition on Aging describes itself as “a dynamic group of organizations and individuals that work collaboratively to give voice to issues that affect older North Carolinians. The Coalition engages in a variety of activities and efforts that focus on issues of common interest across our membership.” See <https://nccoalitiononaging.org/> for more information.