

## Key Committee Acts on HEAL Re-Authorization

Editorial Staff

Since 1976 the Health Education Assistance Loan (HEAL) program has provided federal loans for chiropractic students. It's not an exaggeration to say that the availability of this key loan program has been an important factor in the growth and development of chiropractic education.

It came as quite a shock when the Bush administration targeted the elimination of the HEAL program as part of its 1992 fiscal year budget submitted to Congress. The administration proposed to expand the Health Professions Student Loan (HPSL) program, a program that excluded chiropractic students.

The budget document went so far as to say that chiropractic colleges were "questionable institutions;" that by excluding chiropractic students from the loan program would ensure that needy students were served by institutions that had "earned the public trust" and were worthy of taxpayer support.

Both the legislative staffs of the ACA and ICA launched political action campaigns against the administration's proposal. All 535 members of Congress received letters that strongly denounced the proposal; congressmen were provided with information that balanced out the administration's anti-chiropractic rhetoric.

Since May of 1991, Mr. Howard Holcomb and Mr. Doug Walgren have lobbied on Capitol Hill for chiropractic inclusion in the HEAL program. These and other organized lobbying efforts to reverse the HEAL loan demise have now paid off.

Both of chiropractic's national organizations sent representatives to counterattack before congressional committees. Gerard Clum, D.C., president of the Association of Chiropractic Colleges (ACC) told a subcommittee that all chiropractic students should be given the same time deferment to begin repaying their loans as enjoyed by medical students; that access and funding for chiropractic students in the HPSL program be initiated; and that an increase in the borrowing capacity for all eligible students under the Supplemental Loan to Assist Students (SLS) and inclusion in the HPSL program would decrease dependence on HEAL.

Willard Smith, president of the California Chiropractic Association (CCA), Garret Cuneo, CCA executive director, Dr. Kurt Hegetschweiler, ACA legislative commission chair, Richard Miller, ACA government relations director, and Dr. Reed Phillips, president of Los Angeles College of Chiropractic (LACC) had already met with the Chairman of the Health Subcommittee of the House Energy and Commerce Committee, Henry Waxman (D-California), on September 24 to discuss the HEAL program and other issues. At that time, Dr. Hegetschweiler proposed an incentive program to bring down the default rates of HEAL loans and urged provider groups be treated equally.

The Health Subcommittee met October 1 to approve amended language of bill HR 3508 which would allow for the chiropractic profession to remain eligible to participate in the HEAL program.

On October 2, a draft of the bill was made available for review. Mr. Holcomb, Mr. Walgren, Mr. Miller (ACA), Mr. Hendrickson (ICA), and Dr. Clum reviewed the draft.

In its present form, the amendments to HR 3508 are positive for chiropractic. It extends the 9 month grace period to 21 months before repayment of HEAL loans begins; the bill stipulates that all professions will be treated equally with respect to access to the HEAL program; and the time frame for defaults to be used by the Secretary of Health and Human Services (HHS) to establish limits will be for those loans going into repayment on or after April 7, 1987.

The subcommittee also voted to establish a new "Office of Student Loan Debt Collections," which will "assist in avoiding default by making information on loan deferments, forbearance, and correction of default readily available ..."

Passage of the amendments to HR 3508 will be crucial in the fight to preserve chiropractic's participation in the HEAL program.

Despite the subcommittee's development of the HR 3508 amendment, there are still some unresolved issues. Due to high default rates and the resulting cost to the program, the insurance premium to participate in the loan program will be extended upward, from a previous maximum of 8 percent to a new maximum 13 percent rate. The interest rates for the insurance fund would vary by profession. This would make the program less accessible to those chiropractic students wishing to apply for HEAL loans.

The Waxman subcommittee also failed to specifically define a default cap, leaving HHS the broad authority to set "reasonable" default rate caps for various professions. "Reasonable" is much too ambiguous and obviously open to broad interpretation.

Dr. Clum and Mr. Walgren met with Committee Chairman Waxman on Monday, October 7th to discuss their specific reservations about HR 3508. Mr. Waxman acknowledged those concerns.

"Report language" favorable to chiropractic's inclusion in HEAL was presented to Mr. Waxman on October 7th by the ACA. This was to insure that the full House Energy and Commerce Committee members at their meeting the next day had vital information about the chiropractic profession's position on the HEAL loan situation. The ACA report strived to clarify the definition of "reasonable" default rates.

The morning of October 8th Dr. Clum, Mr. Holcomb, and Mr. Hendrickson met to review what they discussed with Mr. Waxman, and identified key members that, if necessary, would speak on chiropractic's behalf. Later that day, Mr. Waxman presented the amended bill to the full committee.

The bill was passed by the full committee, and now faces the long process of being made into a law.

Dr. Clum said, "All in all, we got what we asked for and this portion of the process can only be viewed as a tremendous success."

Senate action on HEAL is anticipated within the next two to three weeks.

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