

Student Loans: Statistics from the Bureau of Health Professions 1995 Annual Report, Part II

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Editor's note: Part I of Dr. Mirtz's article was published in the September 1, 1996 issue of "DC." The final part will be in the 10-21 issue.

Claims

For FY 95 in relation to claims the department had default claims paid of \$37.2 million. This is also with principle and interest. Of these claims for FY 95 chiropractic accounted for 32.8 percent or \$12.2 million. Dentistry had claims of \$8.7 million or 23.4 percent, whereas allopathy accounted for \$5.8 million (15.6 percent), and osteopathy \$2.5 million (6.7 percent) respectively.⁴ Chiropractic in FY 94 had claims of \$14.4 million or 32.7 percent.²

Chart 4 indicates the Top 10 schools for FY 95 with the highest claims paid. The report notes in bold that five chiropractic schools were in the Top 10. This was also true for FY 94 in which five chiropractic schools were in the top ten. Chart 5 lists the five chiropractic schools by rank and dollar amounts for FY 95.⁴

Chart 4

LACC	#1 \$1.8 million
Life	#5 1.3
New York	#7 1.0
CCC-KC	#8 0.9
Texas	#9 0.8

The Bureau lists an item known as HEAL claims paid. When claims are paid the government owns the debt. This debt is then calculated into the federal deficit. Part of the loan a student pays is in the form of an insurance premium. If the insurance premium is not enough to cover the defaulted loan, it then goes to the appropriations committee of Congress for review.¹

Since 1979, the HEAL program has paid \$366.3 million in claims and has collected \$226.2 million in insurance premiums.⁴ Since the inception of the program, chiropractic, according to the FY 95 report, has accounted for 31.7 percent or \$116.3 million. Allopathy has \$74.8 million or 20.4 percent, while osteopathy has accounted for 7.1 percent or \$26.1 million.⁴

An interesting statistic needs to be noted that may help in understanding the student loan situation:

the number of private schools vs. public schools that are eligible for HEAL funding. Allopathy has a total of 126 schools, 74 public and 52 private, whereas osteopathy has eight schools that are private and eight that are public. Chiropractic has no participating public schools and 17 private schools. There are a total of 61 dental schools (40 public, 21 private), and 74 pharmacy schools (58 public, 16 private).⁴

Another statistic worth mention that did not appear in the 1995 edition that did appear in the 1993 and 1994 FY reports was the dollars owed by students who graduated vs. those who did not graduate. In 1994 chiropractic had \$13.9 million owed by students who did graduate whereas non-graduates owed \$0.5 million.² This indicates that completion of school has occurred by a large number of chiropractors who were unable to begin repayment of loan obligations.

Refinancing

The refinancing of student loans by the chiropractic profession is reported on within the annual report. For FY 94, 1423 chiropractors refinanced their loans to an amount of \$58.3 million. This was 12.2 percent of all borrowers.² For FY 95 that number decreased to \$42.5 million.⁴ For all refinancing activity for the profession accounted for \$97.1 million or 12.5 percent of all disciplines.⁴

Additional Information

This section is devoted to the various statistics that fall within the realm of repayment, school default, interest rates and general figures of loan performance. Only those figures that have economic implications and vital statistics of professional performance will be covered.

Chart 5 demonstrates the HEAL school default rates from the FY 93, FY 94, and FY 95 reports.⁴ All disciplines eligible will be shown.

Chart 5

Discipline	FY 95	FY 94	FY 93
Allopathy	2.1%	2.2%	2.5%
Osteopathy	1.8	1.9	2.3
Dentistry	4.9	5.2	5.6
Podiatry	7.0	6.8	7.3
CHIROPRACTIC	12.8	12.3	12.1
Optometry	2.7	2.8	2.9
Pharmacy	7.2	8.3	8.5
Veterinary	4.2	5.0	5.8
Public Health	14.3	16.5	17.1
Clin. Psychology	8.2	8.9	7.9
Health Admist.	9.4	10.1	8.9

In studying these statistics, chiropractic is the only profession to show a gradual increase the past

three years. While as the other professions appear to show gradual decreases, such as medicine and osteopathy, podiatry was the only other profession to show an increase from FY 94 to FY 95. Public health has the highest default rate for all disciplines. But public health has only 876 students funded, whereas over 20,000 chiropractors have received funding. Chiropractic has the third highest number of students funded. Health administration also has a high default rate but there are only 748 funded students.⁴

At the end of FY 93 the total default rate for all disciplines was 5.1 percent. FY 94 and FY 95 have incremental decreases from 4.7 percent to 4.6 percent.^{2,4}

An interesting statistic that was in the FY 93 and FY 94 reports, but omitted in the FY 95 report, was the status of loan repayment. The reason for the omission is unknown. But these statistics from the FY 93 and 94 reports are important for the profession to know.

For FY 94 Chart 6 shows the past due, forbearance, deferment, and on schedule status of each of the three major professions being studied. The numbers shown are in percentage of the dollars owed. The dollar amounts are in millions of dollars.

Chart 6

	Past Due	Forbearance Deferment	On Schedule	
Allopathy	17.8%	3.9%	23.8%	54.4%
Osteopathy	20.2	4.7	19.4	55.7
Chiropractic	40.6	12.6	2.0	44.7

The figures in comparison to the FY 93 report reveal that the chiropractic profession was past due on loan obligations of 38.9 percent or \$108.5 million and on schedule for 47.6 percent.⁶ Comparing this with FY 94 shows that there was an increase in Past due status and a decrease with on schedule status.

There are 469 schools listed in the FY 95 report that received HEAL funding sometime in the program's history. Of these schools in FY 95, 232 of the 381 schools received funding. The chiropractic schools are listed among these institutions. For FY 95, the schools are listed among each other as to which institutions are ranked from highest to lowest in the claim amount for each. Chart 7 represents the individual rankings of the chiropractic schools from FY 92, FY 93, FY 94, and FY 95.

Chart 7

School	FY95	FY94	FY93	FY92
LACC	1st	15th	11th	8th
Life	5th	1st	1st	1st
NYCC	7th	18th	13th	14th
CCC-KC	8th	2nd	5th	5th
Texas	9th	19th	12th	10th
Parker	11th	26th	29th	18th
National	12th	36th	30th	25th

Palmer-West	13th	3rd	20th	16th
Life-West	14th	12th	17th	15th
Palmer	17th	5th	7th	2nd
Logan	18th	6th	9th	12th
CCC-LA	21st	25th	28th	26th
So. Cal	22nd	37th	24th	35th
WSCC	23rd	31st	31st	20th
Northwestern	30th	39th	35th	38th
Pennsylvania	151st	298th	197th	322nd
Sherman	306th	309th	323rd	331st

Additional information is provided by the report that lists the various professions by borrowers with claims paid with principle and interest by claim type. Chart 9 demonstrates the three professions studied as well as the "others."

Chart 8 shows the individual professions in the claim amount by death, disability, bankruptcy, and default. The chart represents the total numbers accumulated since the inception of the HEAL program from 1979. Chiropractic inception did not begin until 1981.

Chart 8

	Death	Disability	Bankruptcy	Default
Allopathy	234	82	289	1734
Osteopathy	63	22	110	299
Chiropractic	118	61	651	2587
others	162	93	501	2936

When the bankruptcy claims are broken down by chapter (7,11, or 13) the chiropractic figures include 313 by Chapter 7, 34 by Chapter 11, and 304 by Chapter 13.⁴ Of the total dollar amount for the chiropractic profession some \$22.6 million was filed in student loans with the bankruptcy proceedings.⁴ For FY 95, 49 claims were by bankruptcy whereas 40 were made in FY 94.^{2,4}

References

1. Mirtz, TA. Student Loans: Facts and Figures from the Bureau of Health Professions, unpublished manuscript.
2. Federal Health Education Assistance Loan Annual Report Fiscal Year 1994, Bureau of Health Professions.
3. Mirtz, TA, Student Loans: An Analysis of the Federal Register and Chiropractic Viewpoints, Dynamic Chiropractic, Vol 13, No. 12, June 15, 1995.

4. Federal Health Education Assistance Loan Annual Report Fiscal Year 1995, Bureau of Health Professions.

5. Federal Health Education Assistance Loan Annual Report Fiscal Year 1990, Bureau of Health Professions.

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SEPTEMBER 1996