MHA
Michigan Health &
Hospital Association

Leading Healthcare

March 2, 2026
The Honorable Nicholas Kent
Under Secretary of Education
U.S. Department of Education
400 Maryland Ave SW
Washington, DC 20202

Re: **Docket ID ED-2025-OPE-0944, Reimagining and Improving Student Education**

Submitted electronically via regulations.gov.

Dear Under Secretary Kent,

On behalf of Michigan's 128 member hospitals, the Michigan Health & Hospital Association (MHA) respectfully submits these comments in opposition to the Department's proposed rule implementing changes to the federal student loan programs under H.R.1, with specific concerns regarding the proposed definition of "professional student" and "professional degree" in 34 CFR § 685.102.

The proposed regulatory definition of "professional student" fails to reflect the structure of today's healthcare workforce. By limiting enhanced borrowing eligibility to a small subset of doctoral-level programs, the rule creates a federal financing framework that is misaligned with how care is delivered in communities across Michigan and the nation.

Graduate-level clinicians, including licensed clinical social workers, professional counselors, advanced practice nurses and other allied health providers, complete accredited programs, meet extensive supervised clinical requirements and obtain state licensure to practice independently. These professionals are not ancillary to the health system; **they are foundational to behavioral health access, rural care delivery, school-based services and hospital-based care coordination**. Yet under the proposed definition, their educational pathways would be treated differently from those of other licensed health professions for federal loan eligibility.

The implications of this policy are particularly acute in Michigan. Nearly all of Michigan's rural counties are designated as Health Professional Shortage Areas (HPSAs) for primary care and behavioral health.[1][2] Several rural counties in the state have no practicing psychiatrists and access to advanced practice providers remains

[1] https://www.ruralhealthinfo.org/charts/7?state=MI
[2] https://ciceroinstitute.org/research/michigan-physician-shortage-facts/

limited in many northern and Upper Peninsula communities. Michigan hospitals, particularly critical access hospitals and other rural hospitals, depend heavily on nurse practitioners, physician assistants, licensed clinical social workers and other master's-level clinicians to sustain access to care. **Policies that restrict financing pathways into these professions will negatively impact hospitals' ability to recruit and retain essential providers.**

These challenges are compounded by broader workforce pressures across Michigan. A 2023 survey conducted by the Michigan State Medical Society, found that 86 percent of physician practices reported staffing declines since the COVID-19 pandemic, and statewide hospital job openings reached approximately 27,000 in early 2023, a 13 percent vacancy rate compared to 5.5 percent for all occupations statewide.[3] **Projections show that most health occupations will experience persistent shortages through at least 2030**.[4]

In addition to hospital-based and behavioral health providers, the proposed definition has implications for the broader public health sector. Statewide needs assessments, including the Michigan Primary Care Needs Assessment, identify persistent workforce shortages and unmet care needs across Michigan's counties and cities.[5] These findings underscore the importance of well-trained public health professionals in disease prevention, chronic disease management and emergency preparedness. Public health positions are frequently funded through government or grant-based reimbursement structures and are not aligned with compensation models that allow graduates to take on substantial private borrowing. **Restricting federal loan eligibility for these programs risks weakening the workforce pipeline**. Hospitals and communities rely on these professionals for coordinated care, outbreak response and long-term health improvement strategies.

By designating a certain licensed health professions as "graduate" rather than "professional" programs for federal loan purposes, the Department creates a financing imbalance across similarly credentialed fields. This regulatory distinction carries significant consequences. Educational costs for these programs are substantial, and many behavioral health and community-based roles operate within reimbursement-driven payment models that limit flexibility to offset reduced federal financing. **By constraining access to federal graduate loan capacity for these fields, the rule risks narrowing entry into professions that policymakers at both the federal and state levels have identified as critical workforce priorities.**

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[3] https://www.msms.org/About-MSMS/News-Media/michigans-largest-private-sector-employer-remains-healthcare

[4] https://chrt.org/publication/healthcare-workforce-shortages-in-michigan-recommendations-for-recruiting-and-retaining-talent/

[5] https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder4/Folder27/Folder3/Folder127/Folder2/Folder227/Folder1/Folder327/Michigan_Primary_Care_Needs_Assessment.pdf?rev=cdd3dea94e80471ab771b651042a89b5&hash=F77EDC2104965BB8F38624D54F403B2A

Moreover, the proposed framework creates inconsistency within the health sector. It elevates certain licensed professions while excluding others that meet comparable accreditation, educational and licensure standards. **Federal student aid policy should not inadvertently establish a hierarchy among licensed health disciplines, all of which are essential to patient care and health system stability.**

A more comprehensive definition, grounded in accreditation status, licensure requirements and established health profession classification standards, would better align federal financing policy with workforce realities. Such an approach would preserve statutory borrowing limits while ensuring that the rule does not unintentionally undermine access to critical health services.

Thank you for the opportunity to comment on this important proposed rule. We appreciate the Department's consideration of the impact these changes may have on healthcare workforce stability in Michigan and across the country. Please contact Lenise Freeman at the MHA with any additional questions or comments.

Sincerely,

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