IHPC
INTEGRATIVE HEALTH POLICY CONSORTIUM

Federal Student Aid, Integrative Health Education, and the Healthcare Workforce

From Rulemaking to Implementation — Where the Issues Connect

ADVANCING EVIDENCE-INFORMED SOLUTIONS.

ORIGIN
One Big Beautiful Bill Act (OBBB)
Signed July 4, 2025

Enacted new federal student-loan limits, ended Graduate PLUS for new borrowers, and required new accountability rules.

1 FEDERAL BORROWING LIMITS FOR GRADUATE AND PROFESSIONAL EDUCATION

- Graduate PLUS ended (for new borrowers).
- Professional students generally: $50,000 per year and $200,000 aggregate.
- Graduate students generally face lower annual and aggregate limits.

$257,500 LIFETIME CAP

New law establishes a $257,500 lifetime maximum on federal borrowing, which includes prior undergraduate, graduate, and professional loans (including previous Graduate PLUS).

2 PRIOR UNDERGRADUATE BORROWING COUNTS

- A student does not enter professional education with a fresh $200,000 of federal borrowing capacity.
- Prior undergraduate borrowing reduces the remaining amount available under the $257,500 lifetime cap.
- Prior borrowing does not necessarily reduce the separate $200,000 professional-program aggregate limit, but it does reduce overall lifetime capacity.
- This can materially affect students who use undergraduate pathways into professional programs.

3 PROGRAM ACCOUNTABILITY AND EARNINGS TEST

- New earnings-premium metric applies to graduate and non-graduate programs.
- A qualifying program that fails in 2 of 3 years can lose Direct Loan eligibility.

STRONG REPAYMENT PERFORMANCE DOES NOT CURRENTLY PROTECT A PROGRAM FROM THE EARNINGS TEST.

- Key concerns include delayed earnings in healthcare professions, self-employment, residency, regional variation, and appropriate comparison groups.
- Effective July 1, 2027.

4 LITIGATION AND WHAT CAN CHANGE

- Multiple lawsuits challenge aspects of the Department's implementation of the professional-degree provisions and related requirements.
- Litigation can affect how "professional degree" is defined and certain implementation details (e.g., classification and technical requirements).

LITIGATION CANNOT CHANGE THE BORROWING LIMITS ENACTED BY CONGRESS.

The $50,000 / $200,000 professional-program limits and the $257,500 lifetime cap are statutory and would require new legislation to modify.

5 POTENTIAL IMPACT ON THE HEALTHCARE WORKFORCE

More constrained federal financing, combined with new accountability measures, may affect who can access professional education — and, ultimately, the supply of qualified health professionals, including in rural and underserved communities.

- Access to professional education may increasingly depend on financial circumstances rather than educational qualifications.
- Greater reliance on private financing may increase costs and financial risk for students.
- Potential implications for the size, diversity, and geographic distribution of the healthcare workforce, including in rural and underserved communities.
- **DATA WILL MATTER** Institutions should track financing patterns, outcomes, and workforce effects as the new rules are implemented.