

*Joe Peterson:* Just to get started, my name is Joe Peterson. I'm a Senior Reviewer for the Foreign Schools team and have been for a little over three years now. And with me is – Or I'm with her, I should say. Barbara Hemelt is the Co-Team Leader of the Foreign Schools Team.

*Barbara Hemelt:* Welcome.

*Joe Peterson:* We'll just go ahead and get right into the presentation here. As we begin, I wanted to just say that the Foreign Schools team in the Office of Federal Student Aid is organized to help ensure compliance with the Foreign School Regulations, but with all regulations, to make sure they're compliant. The policy makers are with the Office of Post-Secondary Education. You've heard from them throughout the week.

With you and as partners, we want to help you understand those final regulations that were published on November 1st, 2010. That's our intent today, to help you understand what the regulations are saying. Again, the discussion of these regulations and why they're implemented is made public and is on the IFAP website for you to read. We won't have time to discuss all of those, of why the regulations were implemented, but we hope to have some time for some questions. So you know, those discussions are made public for you to view on the IFAP website.

So with this new knowledge you should be able to understand the regulations and then be able to implement them moving forward on your campus. Like I said, we have an entire Foreign Schools Team. We're all here to assist you and help you. Foreign Schools represents almost \$1 Billion in Federal Student Aid funds and almost – nearly 30,000 students abroad. That is significant and you have our attention.

We're here to help and we're here to help understand them and also to help you understand a couple of general questions today of how do you become eligible as a medical school to participate in a Direct Loan Program, and then how to maintain that eligibility.

*Audience:* How many of you are there on the Foreign School Team?

*Joe Peterson:* The question is how many members of the Foreign Schools team are there? Right now there are 19 and that includes the Co-Team Leaders.

*Barbara Hemelt:* We have doubled in size in the past year.

*Joe Peterson:*

If I can move to this next slide here. If you've ever wondered why there are so many specific regulations for medical, veterinary, and nursing schools, this gives you an idea of at least one reason why. There's a significant amount of funding going to medical schools abroad. That catches the eye of the Department and we're interested in what's going on with those funds.

The Department doesn't currently track funding by program of study, so the best figure I can give you at this time is that \$700,000 Million going to schools that have a medical program. But I think that gives you an idea of the significant percentage of money going to foreign medical schools.

This slide is a list of some of the main regulatory citations that were updated or changed as a result of the negotiated rule making that happened in 2009 and 2010. That is for your information. Another note you might want to make is specific foreign school eligibility criteria is from 600.51 through 600.58, if you want to make that note in your notes. And you can also view that electronically with the URL on this slide.

If final regulations are posted by November 1st, they're normally effective the following July 1st. You can see that on this slide. There are a couple of deviations from that July 1 date that you have on this slide as well. If I can point out the very last bullet points: the foreign nursing schools that were participating as of August 13, 2008 – those new nursing regulations become effective on July 1, 2012. But for all other nursing schools those regulations actually have already become effective on July 1, 2011. We'll talk more about that, but I wanted to point that out on this slide.

A lot of this next information about medical schools was presented last year, so hopefully it's not all new to you. But if you are here for the first time or looking to include your medical school in your participation, this will be new and we'll talk about that. I also want to start, as we get into medical schools, to point out that there are success stories on all of your campuses of graduating medical students and vet students and nursing students.

And you have them featured on your websites and catalogs. So as we get into it I do like to acknowledge that and say thank you for teaching those students and also providing the funding that helps them achieve their educational goals. Let's move on to the details of the medical school eligibility criteria. These next two slides; I'm not going to read all these bullet points for you. You have the

slides and you can use those as resources now, but also as you go back home. But I will point out a few highlights on each one.

The next two slides talk about the basic eligibility criteria that every foreign medical school will have to meet. One of the major highlights on this slide is the fact that each medical school needs to be accredited in their country and that medical accreditor needs to be determined comparable by the National Committee on Foreign Medical Education and Accreditation, or the NCFMEA. The next slide, again, these eligibility criteria has been here for some time, except for the third bullet point, if we can spend just a moment on that.

To be an eligible foreign medical school you cannot offer more than two electives of more than eight weeks outside of your home country or the United States. There is a way for clinical sites outside your home country and outside the United States to be eligible and we'll get to those criteria as well, as we move forward. I just wanted to point that out on this slide.

The next two slides that we have inserted here talk a little bit about Satisfactory Academic Progress. Satisfactory Academic Progress has been discussed for you in previous sessions, so we won't go into the details of what SAP is here, but we did include these two slides because it is now included in the medical school regulations. The reason for it to be added here is before the maximum timeframe, the 150 percent that a student has to finish a program was for undergraduate programs, but it's now been included in the medical school regulations.

Again, the second slide, about Satisfactory Academic Progress, the second bullet point might be new for you: to document educational remediation. So in other words, what are you doing to help ensure that students are meeting satisfactory academic progress at your institution? That's a question that all of you can answer to yourselves and as you go back to your institution. What are you doing to help students make that progress?

If you represent a medical school that requires students to have a Bachelor's Degree to enroll in your program, this first bullet point applies to you. It's now an admissions requirement that you required those students to have taken the Medical College Admissions Test, or the MCAT test. So that's a requirement now for admissions for those schools that require a Bachelor's degree for entrance. For those who don't, this requirement for the students to take the MCAT isn't a requirement for admissions but it would

be important to collect that information if those U.S. students have taken it so that you can comply with some of the reporting requirements that we'll talk about in a few minutes.

The second bullet point, just to point out too, is that in order to comply with some of the collection and submission and requirements of data that we'll talk about on the next couple of slides, it's important that you get the students' permission to obtain some of that data. In the regulations there's a section called Collection and Submission of Data. There are a couple of items that on an annual basis you'll need to submit to your Foreign Medical Accreditor. And there are also a couple of items that you'll need to submit on an annual basis to the Department of Education.

This slide here talks about those two items that need to be submitted to the medical accreditor. Those are the MCAT scores of the U.S. students that you admitted during the preceding year, and along with those, also the percentage of students graduating who obtained residency in the United States. So that percentage can include just your U.S. students, or if it's easier, I think (IF it's easier) to gather all that information for you U.S. students and non-U.S. students who obtained residency, that percentage would be okay as well. It just has to include at least U.S. students. Yes, question. Let's use the microphone here.

*Audience:* So when you say that we need to report this for all U.S. students, is that actually all of our U.S. students, or all of our U.S. students receiving Title IV aid?

*Joe Peterson:* We're talking about the MCAT scores, right?

*Audience:* Yeah.

*Joe Peterson:* So all those U.S. students admitted to your medical program.

*Audience:* Regardless of whether they're getting Title IV aid?

*Barbara Hemelt:* Correct.

*Audience:* Okay, thank you.

*Joe Peterson:* Yeah, thank you. Thank you for your question.

So those were the two items again that need to be submitted to the medical accreditor. This slide talks about those two things that

need to be submitted to the Department. The first one is the United States Medical Licensing Exam, of the USMLE scores for your students. There are actually three things there in that first bullet point. We want to know the scores of those exams. We want to know the students, and also to include any of the failed attempts on that test.

One correction to this slide or an update to this: you'll notice it says, "The school can allow the ECFMG to provide the data directly to the department." We found out recently that the ECFMG isn't providing that directly to us. So we're in conversation with ECFMG to resolve that issue and hope to come to a conclusion soon. And we're hopeful on that. So the USMLE scores and then also the citizenship rate for your institution.

As we're talking about collection and submitting data, we included a slide as a reminder about any gainful employment programs that you have. We won't go into detail. There have been many sessions about this, but just as a reminder that foreign institutions are not exempt from gainful employment reporting and disclosing. If you have those programs, please attend one of those sessions, or listen to those recordings if you've missed them.

We'll move on to the Basic Sciences, the location of Basic Sciences and Clinical Rotations of a medical program. This isn't new. The basic sciences of a medical program must be taught in the institution's home country. Clinical training can be outside the home country. That's fine. And the last bullet point, if I can point that out, for eligibility applications that you're submitting to the Department. Currently Question 51 asks: where are all your U.S. clinical sites. It asks for you to report all those.

Now we said that you can have clinical sites outside the U.S. and we don't currently have a question specific for that, so please add that to Question 69 which is a place to provide a free range for comments. At this time, that's where we'd like you to put it in there so that we have a record of it, of clinical sites that are outside the U.S. We mentioned previously also that you can have clinical sites that are outside the home country and outside the United States, but they must meet a few other criteria in order to be eligible.

The three are listed on this slide. They must be in a country that has a medical accreditor that's been approved or comparable by the NCFMEA. So that's the first one. The second one: that medical creditor must've conducted an onsite visit. And then the third is

where your clinical site is located. That country needs to also have accredited medical schools sending their students to that clinical site. That one can get kind of confusing but I'm happy to provide an example if anybody wants me to. I don't see any hands.

Those are three criteria, again, to have clinical training programs, clinical rotations approved outside your home country and outside the U.S. That criterion doesn't have to be met if that location is included in the accreditation of the LCME, the Liaison Committee on Medical Education, or the AOA, or the American Osteopathic Association. Or those clinical sites are less than a total of eight weeks. So there's an exception.

What's required of each clinical training site? Each of those clinical training sites for your medical school must have either a formal affiliation agreement or other written arrangement, except (you've see this exception a couple of times now) for those locations that aren't used regularly but instead are chosen by the student and not more than two electives and not more than a total of eight weeks.

We don't stipulate everything of what should be in that formal affiliation agreement, but we do have six items that should be included in each of those formal affiliation agreements. These items were suggestions from the NCFMEA in a 2009 Report to the United States Congress that including these six items will help to ensure the quality of education at your institution. These are those six items, so ensure that those agreements that you have with each clinical site include at least these items.

Also, all of you know representing medical schools that accrediting bodies accredit and approve education programs. So if those programs change, if there's a significant change to those programs, the medical accreditor needs to know about those to ensure that the program that you've changed continues to meet their standards. These are some of the changes that you might go through that must be reported to your medical accreditor.

We'll move on then to the USMLE Pass Rate percentage. This was a hot topic for us during negotiated rule making. The actual lawyer, the Higher Education Opportunity Act raised the percentage from 60 percent pass rate on the USMLE to 75 percent. That wasn't a negotiating point during negotiated rule making. So the 75 percent is statutory. The change to having 75 percent pass rates on each step of the USMLE Bill was something that was negotiated and came to consensus during negotiated rule making.

A medical school must have a pass rate of 75 percent on each step test of the USMLE: Step 1, Step 2-CS, and Step 2-CK. There are a couple of exemptions that we put on this slide. If the school has had a clinical training site in the United States since January 1, 1992 and another exemption for those Canadian medical schools. But again, the exemption is to the 75 percent pass rate but not the reporting requirement.

Let's do a calculation. Let's have some fun. Let's start with the denominator. I think that will make it easier if we start with the denominator here. This will be an example of a 2011 calculation. You take all your current students and then those graduates from the last three years who have taken – let's use Step 1. All those students and graduates who took Step 1 for the first time during 2011: that would be your denominator.

Then out of all those students and graduates, how many of those passed Step 1? That's it. Piece of cake. That's how you would do that. It does get a little trickier and we have a couple slides, but that's the basic calculation being used. As a reminder, the graduates again are those students who have graduated from the medical program during the preceding three calendar years.

Where it can get a little tricky is when there are a small number of USMLE takers. And as an example, if you're at a medical school and you only have two students that take Step 1 (if we can use our example) for the first time, and one of them fails, you're looking at a 50 percent pass rate which puts your entire program at risk of losing eligibility. So we've provided some – I think – relief from that regulation.

The first one here says if on any step – so Step 1, Step 2-CS, or Step 2-CK – there're less than eight students you get to combine the results on all three of those steps. So if Step 1 you only have seven students, Step 2-CS you had ten, and Step 2-CK you had ten as well, since Step 1 had less than eight, you could combine those results for a single pass rate.

Now if you do that and you combine the results and the total number of results is less than eight, then you're considered to have no pass rate for that year and we'd add those results to the subsequent years until we ended up with at least eight results. There are a couple of exceptions there to the calculation that we performed, the example we had a couple of slides ago.

Any questions on this slide here?

*Audience:* If you don't get the 75 percent, you lose eligibility for Title IV funds? And in the next year – in other words – you've got students already enrolled who are receiving aid. Do they get cut off immediately, or is it for the next academic year?

*Joe Peterson:* So the question is: your school didn't meet 75 percent, so it's not meeting the regulations we've discussed. So is the following year the funding for those current students cut off? And the answer is: no, in certain cases. If the students had received a loan while the school was eligible, then they can continue to get a loan for that academic year in which the loss was incurred, and the following year.

*Audience:* And the following year?

*Joe Peterson:* And the following academic year. Any correction to that?

*Audience:* Now if they lose their eligibility, they go through the application process again once they can demonstrate that they have met that rate without the \_\_\_\_\_ \_\_\_\_\_?

*Barbara Hemelt:* That's correct. But, keep in mind that the pass rates that they demonstrate establish eligibility for the succeeding year. So if they have failed – If they've lost eligibility for the year 2010, but they have passing rates in the year 2011, the passing rates for 2011 are the basis for their edibility in 2012. So they would apply for reinstatement for the 2012 period.

*Joe Peterson:* Great question, thank you. And with that, I'll turn it over to Barbara.

*Audience:* Could I ask you one more question before you leave?

*Joe Peterson:* Yes.

*Audience:* Going back to Satisfactory Academic Progress, you don't need to move the slides back. For \_\_\_\_\_ schools there's both a quantitative and a qualitative criteria \_\_\_\_\_ in the progress. I notice the qualitative wasn't in the slide. Is that because you assume that if they're not making qualitative progress the school is going to dismiss them anyway and you don't have to worry about it? Or why is there only the quantitative and not the qualitative?



*Joe Peterson:* That was the change. We only included those slides because that was a change to the medical school regulations that the maximum time frame would now apply to foreign graduate medical school students. The rest of the Satisfactory Academic Progress still applies, the qualitative and the quantitative to medical schools.

*Audience:* Oh okay, well that wasn't on the slide.

*Joe Peterson:* Yeah, and again, we only included those slides as a change that came from the November 1.

*Audience:* So they do have to meet a 3.0 or whatever [*inaudible comment*]?

*Joe Peterson:* Right, right, exactly right.

*Audience:* Glad I asked.

*Joe Peterson:* Thank you.

*Audience:* I would've missed that one.

*Barbara Hemelt:* Thank you Joe. I'm Barbara Hemelt. I'm the Co-Team Leader of the Foreign Schools Team. I was introduced briefly before. I have been with the Department for almost 20 years now and with the Foreign Schools Team for about 7. And I've seen interesting developments in the regulations and the statute concerning medical schools. I think you'll probably observe as we go through this particular presentation that a lot of the changes have focused in two areas.

One, of course, is the statutory change on the USMLE eligibility requirement, increasing the pass rate from 60 to 75 percent. And I think the other area that's most interesting are the changes in the regulations concerning clinical sites. Because it was not too long ago that we only permitted clinical sites in the home country where the medical institution was located or in the U.S. Now we have these two additional categories where you can have clinical sites.

I recall the various cases where we became aware of the great degree of variation across the world of clinical training opportunities. Some schools said that the students actually are permitted to arrange their own clinical training opportunities, as electives, anywhere in the world provided they get approval of the home medical institution. That's part of the background for this eight week rule. And that's why I'm bringing it up, because it seems like sort of a strange little rule.

But we have found that there are many medical schools that allow their students, on an elective basis after they've completed their core clinical training, to do public service clinical opportunities. One example that I recall is that students would travel through the desert over in the Middle East to Bedouin tribal sites to provide onsite medical care out of a mobile unit. Or they would do something similar in Vietnam.

In other words, these were very short-term, but very valuable clinical opportunities and I think the Department heard and realized this makes sense, to create an exception, on a very short-term basis for these types of opportunities. So that's just a little background on the many changes on the clinical sites. But moving on through the presentation, one of the standard requirements for eligibility continues, and that is citizenship. At least 60 percent of your students and graduates must not meet U.S. citizenship or residency requirements for Federal Student Aid.

Another way of looking at that is that you can't have more than 40 percent Americans at your foreign medical school. There is an exemption. If the medical school had a state-approved clinical training program as of January 1st, 2008, and continues to operate that program in at least one state that approves the program.

Now we're going to talk a little bit about application procedures and the type of information and supporting documentation that an institution would need to provide if it was applying for initial eligibility as a foreign medical school, or for renewal of its initial eligibility. One change is that we now require a list of all locations where the school provides instruction, whether it's basic science instruction or any type of clinical instruction.

Now that we are aware that this can occur anywhere on the planet, we'll have questions about some of those sites and we have to make determinations based on the new criteria as to whether or not particular sites will be eligible. We'll also be asking for copies of the Affiliation Agreements with the clinical training providers, which could include either a hospital or a clinic or an accredited medical school, for the reasons that Joe Peterson mentioned previously.

In addition, we of course would want documentation that would substantiate that your medical school does have current medical accreditation with the NCFMEA-approved comparable medical accreditor. And we would want a copy of the accreditor's most

recent onsite evaluation of clinical sites located in a foreign country other than the home country of the medical institution. Finally, we need to know whether or not the school is one that is a post-baccalaureate program, which is comparable to the type of medical programs that we're used to in the United States, or whether it's another type of program which sometimes we refer to as "hybrid" programs, which include both undergraduate and graduate components.

And there are reasons for this. Under the regulations, if you are a for-profit institution, no portion of your foreign medical school may be offered at what would be considered the undergraduate level in the U.S. If you are for-profit, you can only provide funding for those students who are at the post-baccalaureate level. And in many countries, they do have this hybrid program, and if they are non-profits or publics they would be allowed to provide funding for the entire hybrid program.

We've talked previously about the MCAT requirement. This was a recommendation of the NCFMEA Committee, which by the way, is a committee of doctors from around the United States who report to the Secretary on the comparability of other countries' medical accrediting standards. They are the ones who recommended that the MCAT scores are one of the uniform indicators, or could be one of the uniform indicators of the quality of medical – Well, the quality of the applicants for enrollment in medical school, because the MCAT is designed to test the students' basic science background.

I'd like to point out at this time that the regulations make very clear that it is the schools' responsibility to obtain all of the written consents that would be necessary to obtain the various different data requirements from students, including the MCAT and as a practical suggestion, you might want to take a look at your application package that you give to your students because that would be a good place to include a written consent that the student would sign that would permit your institution to collect either the USMLE score data that you're going to need to provide to us, or the MCAT scores, or the resident placement information that you'll want to collect after they graduate.

*Audience:* Barbara is there a minimum MCAT score that they must achieve or they just have to take it?

*Barbara Hemelt:* That's a great question. There is no minimum score. The doctors of the committee decided that for the time being they wanted this

information collected for purposes of review, research, and analysis. In the future, there may be, but right now, it is not a requirement.

*Audience:* Thank you.

*Barbara Hemelt:* After you have been granted either initial or recertification eligibility, you like all of the other participating institutions in the Title IV programs have an obligation to continue to update us with information about changes in your programs or your locations or your institutional character. And there are different requirements. We're going to talk about those now.

A school must submit an electronic application to the Department and await the Department's approval if it's adding locations that offer core clinical training or required elective clinical rotations. That is true except for clinical locations that are accredited by the LCME or the AOA. Now with respect to clinical programs that are not required, that are truly elective, we still want you to submit the electronic application.

You have to submit it to us within ten days after adding that particular clinical location. But you do not need to await our approval. The same thing is true with what I refer to as the eight week clinical opportunity. In that case, you can begin to fund. You do not need to update actually, or await our approval. Those particular clinical opportunities are so customized and individualized that I think that's the reason you don't have to report them. You would be reporting on a daily basis for all of your medical students who are taking advantage of those opportunities.

Moving on to veterinary schools, I think the major difference in our statutory and regulatory requirements for veterinary schools is in the accreditation area. As you recall, we have the NCFMEA for medical schools and they are making decisions at the request of particular countries to determine whether or not that country's medical accrediting requirements are comparable to U.S. medical accrediting standards.

There is no similar parallel framework or committee of veterinary doctors that are making those decisions for us for foreign veterinary schools. So the Foreign Schools Team, upon receipt of an application from a veterinary school is basically making a decision that the veterinary school is comparable to a U.S. veterinary school. And the way we do that is to look at items that

are very similar to the elements that the U.S. Veterinary Medical Association would look at.

Some of those are listed here. They required that the veterinary school be supervised closely by members of the schools' faculty and are provided in facilities adequately equipped and staffed, that they are approved by all veterinary licensing boards and evaluating bodies that we consider relevant. And then finally, you'll notice this last bullet. By the time we get to July 1st, 2015, we actually require that a veterinary school be accredited or provisionally accredited by an organization acceptable to Ed. We are moving towards that same point where we are with foreign medical schools in requiring accreditation. We're just sort of a step behind when you talk about veterinary schools.

The additional criteria for veterinary schools are similar to med schools. They have to have graduated classes during each of the two preceding 12 month periods before they can submit their initial application. And they have to employ faculty members whose credentials are equivalent to the credentials to faculty in the U.S. Unlike medical schools, no portion of the non-clinical training can be offered outside of the country where the main veterinary campus is located. Sometimes it's a little bit difficult to keep track of what's similar and what is different.

For-profit schools; they must complete their clinical veterinary training in the United States. Students at public or private non-profit schools can complete their training in the country where the schools' main campus is located. And I'm contradicting myself here from the prior page. I apologize for that. Or in the U.S., they can have clinical opportunities outside the U.S. home country, but only if it's at a program that is already accredited by the AVMA. Or, again, we have the eight week rule, the same that we have for medical schools.

Any questions on the veterinary, or any comments?

Nursing schools: this is a new category of participation for foreign schools. You will see some interesting requirements here. Joe had mentioned, I believe, that the effective date of the new requirements are July 1st for foreign nursing schools that were participating in the Title IV programs on August 13th, 2008, but earlier, July 1st, 2011, for all other foreign nursing schools.

We do have very specific definitions for the types of nursing schools that can be eligible for Title IV program or for

participation in the Direct Loan Program. And those are included in the regulations. I'm not going to go over them here, but I believe that there are three different types of definitions. The second bullet is interesting because it points out that the foreign nursing school is required to have an agreement either with a U.S. hospital or a U.S. accredited nursing school to require completion of clinical training in the U.S.

In addition, there has to be a joint degree program where the graduating students of the foreign nursing school receive a degree both from the accredited U.S. nursing school, and the home institution. Then finally, something that we haven't seen before is a requirement that the nursing school reimburse the Department for loan defaults. This is not a requirement that they reimburse the amount of the loan that's in default. What the Department has decided is that the reimbursement will be the amount that represents the cost of the loan default, based on the estimated future costs of collection.

There is a similar requirement for pass rates on the professional nursing licensing examination. It's a 75 percent pass rate, and again, this information must be provided annually to the Department for U.S. students and graduates and you can either send the results for the students specifically or have the national student nursing board send a report to us showing us what the percentage calculation is.

If you are a for-profit foreign medical veterinary or nursing school there are particular limitations. I wanted to repeat them here. No portion of an eligible medical or veterinary program may be offered at what would be considered the undergraduate level in the U.S. and you cannot have a joint degree program except where allowed for nursing schools.

That is the end of our presentation on the medical, veterinary, and nursing school eligibility requirements for foreign schools. They are rather complex, but we appreciate your attention and we're here to answer any questions. Does anybody have any questions at this time? Okay, we have a question from a Canadian school.

*Audience:* Similar to my last question about the med schools, for the nursing pass rates, that's, again, for all U.S. students, not just Title IV.

*Barbara Hemelt:* That's correct.

*Audience:* Okay, thank you.

*Barbara Hemelt:* Any other questions? Well thank you again, and that completes our presentation. We hope you enjoy the rest of the week here in Las Vegas. We'll be seeing you again next year. Thank you.  
*[Applause]*