

BUREAU OF HEALTH PROFESSIONS

Date: July 17, 2003

To: Schools Participating in the Health Professions Student Loan (HPSL), Primary Care Loan (PCL), Loans for Disadvantaged Students (LDS), and Nursing Student Loan (NSL) Programs

Subject: Cancellation Based on Permanent and Total Disability
Campus-Based Policy Memorandum 2003-4

The following information is provided to assist in the administration of the Division of Health Careers Diversity and Development (DHCDD), Department of Health and Human Services (HHS) campus-based Health Professions and Nursing Student Loan programs.

Background Information

This memorandum provides guidance regarding the policies and procedures for administering the Federal student aid programs authorized under Titles VII and VIII of the Public Health Service Act for those borrowers requesting cancellation of their loans based on permanent and total disability. We would like to reiterate that only HHS has the authority to cancel HPSL, PCL, LDS or NSLs based on permanent and total disability. All requests, along with supporting documentation, must be submitted to HHS for review.

Cancellation of Loans Based on Total and Permanent Disability

A borrower is entitled to cancellation of the above loans in the event of permanent and total disability. Permanent and total disability is defined as being unable to engage in gainful employment of any kind because of a medically determinable impairment which is expected to continue for a long and indefinite period of time or to result in death. The review and final determination shall be made by the Secretary of HHS on the recommendation of the school, supported by required medical certification relating to the borrower's disability.

To claim cancellation for disability, a borrower should submit a formal request to the school that awarded the loan, along with the following documentation:

- date entered and date graduated or date studies terminated;
- total amount of loans obtained;
- amount of unpaid balance;
- nature and date of onset of the disability;
- statement of financial support; and
- current medical examination and/or treatment.

The medical report must be sufficiently detailed to provide for a comprehensive review to determine the nature, duration, and extent of the impairment and prognosis. Supporting documentation should include history of illness, medical examination(s), inpatient and outpatient treatments, and current medications. Copies of all pertinent past medical records and a prognosis and rehabilitation plan should be included. The medical documentation must be accompanied by a signed and dated statement from the borrower's physician documenting permanent and total disability according to the definition above.

Due to a new procedure for reviewing these claims by HHS, we are implementing the use of a consent for medical release form to be included in each claim package. The medical release consent form is required. This signed consent will permit HHS to contact the borrower's physician directly for additional, pertinent information that will enable HHS to perform a more complete review in a timely manner. This form can be found under AForms@on our website at:

<http://bhpr.hrsa.gov/DSA/weblinks/>

The Student Financial Aid Guidelines provides further guidance for submitting disability cases for review. The Guidelines may be accessed through the above website. A disability checklist is also available as a guide for obtaining the required documentation. The checklist may also be found at AForms@on the above website. This checklist should not be used in lieu of obtaining the required documentation.

Documentation must be submitted to the Division of Health Careers Diversity and Development, Campus Based Branch, Parklawn Building, Room 8-34, 5600 Fishers Lane, Rockville, Maryland 20857.

The school will be formally notified of HHS's decision and must retain the written notification of the decision on file for audit and other review purposes. The school must report the amount of the loan canceled on its Annual Operating Report (AOR).

Please direct any questions to Ms. Lorraine Evans at 301-443-0785 or via e-mail: levans@hrsa.gov.

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Chief
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Division of Health Careers Diversity
and Development

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