

## Information request for “Increasing Transparency Around Low-Financial-Value Programs”

Acupuncture is part of the fabric of equitable healthcare in the U.S. It has been established as safe and effective, and is recommended by the National Institutes of Health, the World Health Organization, Medicare, the Veterans Administration, and the Joint Commission for hospital accreditation. The Joint Commission and the Center for Disease Control (CDC) consider acupuncture a first line of defense alternative to opioids for pain, and JCAHO now requires all medical institutions to educate patients about acupuncture. The Department of Education’s action with GE or lists of “Low-financial-value” programs could have severe repercussions on this industry.

Pacific College of Health and Science (PCHS) supports a GE accountability and/or a “low-financial-value” framework to secure taxpayer funded loans. However, acupuncture does not fit into simple income\debt ratios and needs separate metrics.

Pacific College of Health and Science (PCHS) students **are** repaying their loans. Our most recent CDR is 5.3% and our repayment rate from the 2011 data was 44%. Both are very strong indicators of repayment strength. We recognize there is controversy regarding CDR’s, but the department does afford benefits to institutions with less than 15% default rates and our rates are lower than the national average of 7.3%

### **Background factors that make an income\debt ratio inappropriate**

Acupuncturists seek a value beyond an income\debt ratio. Acupuncturists value flexibility and the tax advantages of business ownership. Both must be considered in the definition of “value”.

- *Acupuncturists take 3 + years to fully develop a practice.*  
Most acupuncturists take at least 6 months after graduation to take and pass their national board exams and then another few months to receive their license. It will take an additional 2 + years to develop clientele for a full practice.
- *Acupuncturists are mature students who seek a flexible work life balance.*  
The most recent American Society of Acupuncture survey indicates that over 50% of acupuncturists practice part time. This desired flexibility is driven by the demographics of the practitioners. The average Pacific College acupuncture student is 36 years old, with a good number in their forties and fifties choosing not to work full-time; a quarter are married and may have spousal support. Some choose acupuncture not as a full-time profession, but as secondary to family responsibilities, or a more flexible lifestyle for mature graduates.
- *Acupuncturists value business ownership and 50% of acupuncturists practice alone in private practice most as PLLCs.*  
As professional corporations, acupuncturists derive value from being a business owner and pass through many expenses. Their yearend income does not show all the financial value received as they can deduct cars, travel, phones, computers etc.
- *Pacific College students are informed and satisfied.*  
Students entering Pacific College are fully informed about the industry and are satisfied with the education they receive. In the Pacific College 2021 exit interview, 84% reported they received enough information about the industry before entering the school and 95% would recommend

Pacific College to a friend. Most importantly, Pacific College boasts an 87% licensure rate for graduates in 2021. Pacific College students understand the outcome and are succeeding in their desired field. Our results can't be compared to the very unhappy customers who may have been taken advantage of by predatory schools that did not prepare them well for careers.

### **PCHS supports a list of low value programs but worries about the current GE framework.**

There are 50 acupuncture schools and 25 are for-profit and 25 are not-for-profit. There is little difference between the for-profit schools and the non-for-profit schools.

- The pass rates on the exams **are statistically the same.**
- the price of the education is actually \$10,000 less for for-profit schools.
- The curriculum in for-profit and not-for-profit colleges in the field of acupuncture does not differ as the state dictates the length of the curriculum. Some states, like California, require 3,000 hours of education, while others, like Florida, require a program of 4 years. The acupuncture schools cannot shorten the programs and therefore have no ability to make them less expensive.

We need to be careful that no list or analytic framework arbitrarily targets for-profit acupuncture schools and devastates the acupuncture industry. If something like the proposed GE rules would go through the consequences would be severe.

- All 25 for-profit schools will go out of business.
- There will be no acupuncture schools at all in San Diego, Chicago, all of Texas, Ohio and XX.
- The for-profit schools provide 300,000 low cost treatments a year and those would be lost along with the graduates who are needed to provide the much needed help recommended by all of the major US and world medical institutions.

### **To determine value for acupuncture programs, the Department of Education should look at specific data**

Acupuncture is a niche profession with 30,000 practitioners, 50 colleges and 5,000 students. As stated, the students are mature and understand that it will take time to build a practice. They value the flexible lifestyle acupuncture provides and are very mission driven. To assess value in this field, we believe the following metrics would be appropriate.

The important data for determining quality is already reported to a variety of agencies.

- **Licensure Pass Rate Data.**  
Licensure pass rate data is the most important data to use for evaluating the quality of an acupuncture program. Our programmatic accreditor, Accrediting Commission for Chinese and Herbal Medicine (ACAHM) measures pass rates and requires minimum pass rates to remain accredited.
- **Graduation Rate.**  
Graduation rates play a clear role in determining value. ACAHM monitors pass rates along with our regional accreditor.

- **Repayment Rate.**

A repayment rate is a better indicator than any income\debt ratio due to the time it takes to build a practice. The Institute for College Access and Success (TICAS) outlines Repayment rates as a possible alternative to the debt ratios.

- **Cohort Default Rate.**

The Institute for College Access and Success (TICAS) states that cohort default rates are important measures for student success.

**The reporting process should be included in the regional accrediting body's responsibility.**

Pacific College of Health and Science already reports data to seven oversight agencies. The burden to a small college like Pacific is about \$600,000 a year. This additional burden would take more resources and time from the college. Implementing a "low-financial-value" list or GE framework is not a one size fits all problem, and the Department of Education has regulators whose responsibility it is to ensure value to the student. When GE was previously implemented, the process was burdensome, confusing and lacked transparency. No matter what the Department of Education does with the "low-financial-value" list or GE, we believe an appeal process for small industries where alternative measures, such as the repayment rate, must be used.