



Profiting from Health Care

The Role of For-Profit Schools in Training the Health Care Workforce

Julie Margetta Morgan and Ellen-Marie Whelan January 2011



Introduction and summary

Jobs, jobs, jobs. The nation's unemployment rate seems unable to move far from the 10 percent mark and many are asking where the jobs will be in the next decade. The answer seems to be in health care. The Bureau of Labor Statistics, or BLS, predicts that 3.2 million new jobs will be created in the health care sector between 2008 and 2018.¹ These include high-skill, high-paying jobs like doctors and nurses as well as many more low-skill, low-wage jobs.

It's important to note, though, that these predictions were made prior to the passage of the Patient Protection and Affordable Care Act. More health care workers may be needed as a result of the new health reform law, which will provide coverage for an additional 32 million Americans by 2014.

Meeting this future need will not be easy given that we have a current shortage in many health professions. There were provisions to expand the health workforce in both the American Recovery and Reinvestment Act and the Affordable Care Act. But concern remains about the country's capacity to create enough health providers. Colleges and universities have been and will be key players in meeting the needs in the health care professions.

One emerging player in the field of educating the health workforce is the for-profit college. These institutions warrant serious consideration as part of efforts to meet the needs of the health care professions. They offer both online and in-person educational programs in a variety of health fields and they have a capacity for rapid expansion and a pattern of recruiting underserved populations of students.

For-profit colleges came under scrutiny from the press, student advocacy groups, and the federal government in the past year for their steep enrollment growth, high profit margins, and dependence on federal dollars. Reports reveal extraordinary enrollment rates contrasted with low graduation rates and high student loan defaults. This is a significant issue for the individual students who carry high debt burdens without the benefit of a college degree as well as for the federal govern-

ment, who provides the grants and loans that make up 90 percent of these companies' revenues in some cases.² Additionally, when the Government Accountability Office looked at for-profit schools and their reliance on federal student aid, they found schools that specialized in "health care" tended to have their students rely more heavily on student aid.³

The debate over the future of for-profit colleges is high stakes. These institutions stand to lose out on billions of dollars if proposed regulations go into place to limit enrollment growth and access to federal aid for programs whose students have high debt loads compared to their salaries. For-profit schools also are a point of access to higher education for low-income and minority students and a potential source of much-needed health care workers. It's extremely important to get the details right.

Getting the details right means finding out whether for-profit colleges are making a contribution to the health care workforce and what that contribution looks like. It also means ensuring that students receive quality educational opportunities at a reasonable price.

Thus far, it has been difficult to wade through the speculations and anecdotal evidence. The for-profit colleges assert that they are playing a significant role in the production of the nation's health workforce. In fact, in one of its recent advertisements, the Association of Private Sector Colleges and Universities claims that "now is no time to get in the way" of their progress because health care providers turn to for-profit schools for highly qualified nurses, medical assistants, and technicians.

But we do not really know much about the role these schools play in the education of health professionals. The "health workforce" is comprised of hundreds of different occupations ranging in educational preparation from "on-the-job" training to postdoctoral education. These individual occupations have a dizzying array of titles and duties, and most analyses of the "health workforce" either focus on individual professions or speak broadly about all health professions, glossing over the details. To really evaluate the role of for-profit colleges, the discussion must move beyond sweeping terms like "allied health," "health professions," and "health workforce" to specific occupations and educational programs.

This report intends to bring some clarity to how the for-profit education sector is contributing to the health workforce. It begins by providing a brief overview of these "proprietary" or for-profit schools and highlights the most pressing needs

in health care occupations and the educational requirements for these professions. It takes an in-depth look at the progress for-profit colleges are making at educating students in health care programs. It also provides a detailed discussion of the resources available to students to help them understand the price of health care education programs, their likely salary upon graduation, and the overall quality of the educational offerings at a particular institution—the key pieces of information necessary for students to decide whether an educational program is worth the price.

The report finds that for-profit colleges are graduating students in health care fields but generally not the fields at the top of the nation’s growing health care needs. For-profit schools are making a contribution to the health care workforce but much of that contribution is concentrated in one educational program: medical assisting. The second-largest educational program in health care at for-profit schools is massage therapy, which does not correspond to any significant workforce need. For-profit colleges make a modest contribution in other areas such as registered nursing and licensed practical nursing. Clearly, traditional not-for-profit colleges are doing the bulk of the work in addressing our projected health care workforce needs.

We found that a whopping 78 percent of all health care credentials awarded at for-profit institutions in the 2008-09 school year were certificates or degrees at the associate’s level or below.⁴ For-profit colleges tend to focus on health care “support” occupations like medical assisting, massage therapy, and dental assisting rather than “practitioner” or “technical” health occupations like registered nursing, medicine, or diagnostic technologist fields. Though health care support occupations are growing, the field is less than half the size of the health care practitioner and technician group. And health care support jobs tend to be lower paying than practitioner positions.

In this report we also compare tuition costs at for-profit schools with their more traditional not-for-profit counterparts, look at the salaries that students graduating from for-profit schools might make working in the health sector, and examine a myriad of quality measures that might be used to evaluate a health education program. As for-profit colleges continue to expand in this area, it is important to strengthen indicators of quality and value to protect consumers from fraudulent programs and help students choose the best program that suits their needs.

The report makes three main observations about for-profit colleges and the health care workforce:

- For-profit schools are making only modest contributions to training the highest-demand health professionals. This is partly due to the very nature of the type of programs for-profit schools currently offer.
- For-profit institutions are training health care workers who may have a hard time finding a job or will only find work in jobs at the lower end of the pay scale.
- Quality measures now in place make it nearly impossible for students to traverse the maze of health professional education programs to make informed decisions.

We address these problems through the following three recommendations:

- Incentivize schools to offer and students to choose health career programs in fields that meet the nation's future health care workforce needs.
- Help students choose the best course of health care study that will pay them a good wage.
- Improve quality measures to help students make better and more informed decisions.

We should be maximizing all available resources as we work to get more students into college and more workers into jobs. For-profit colleges are part of the arsenal of resources to meet the growing demand in health care fields. We can begin to think about how to maximize their impact while minimizing any negative impact on students by shedding light on how they operate in the health care sphere.

The Center for American Progress is a nonpartisan research and educational institute dedicated to promoting a strong, just and free America that ensures opportunity for all. We believe that Americans are bound together by a common commitment to these values and we aspire to ensure that our national policies reflect these values. We work to find progressive and pragmatic solutions to significant domestic and international problems and develop policy proposals that foster a government that is “of the people, by the people, and for the people.”

Center for American Progress

