



C A L I F O R N I A D E P A R T M E N T O F

Mental Health

1600 9th Street, Sacramento, CA 95814
(916) 654-2309

November 24, 2009

DMH INFORMATION NOTICE NO.: 09-19

TO: LOCAL MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH PROGRAM CHIEFS
LOCAL MENTAL HEALTH ADMINISTRATORS
COUNTY ADMINISTRATIVE OFFICERS
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: IMPLEMENTATION OF THE STATE-ADMINISTERED MENTAL
HEALTH LOAN ASSUMPTION PROGRAM (MHLAP) FOR STATE
FISCAL YEAR (FY) 2009-10

REFERENCE: IMPLEMENTATION OF THE MHSA, WELFARE AND INSTITUTIONS
CODE (WIC) SECTIONS 5820, 5821, 5822, 5847, 5848, AND 5892

This Department of Mental Health (DMH) Information Notice provides information on the Mental Health Loan Assumption Program (MHLAP) that is jointly administered by DMH and the Office of Statewide Health Planning and Development – Health Professions Education Foundation (OSHPE-HPEF). The goal of the MHLAP is to encourage mental health service providers to practice in the California Public Mental Health System by authorizing repayment of their educational loans in exchange for service in a designated hard-to-fill position or one in which it is hard to retain staff (hard to fill and/or retain position) in the Public Mental Health System¹.

A total of \$2,640,900 for the MHLAP is available in State Fiscal Year (FY) 2009-10. These funds are composed of \$2.5 million in FY 2009-10 funds and another \$140,900 carried forward from the 14 Counties that did not receive eligible applications in the initial MHLAP application cycle in FY 2008-09. The funds allocated for each County are displayed in Enclosure 1. Each County Mental Health Director or designee must verify that the applicant is employed in the Public Mental Health System in a hard to fill and/or retain position in order for the applicant to be eligible. Applications without this verification will not be considered for a MHLAP award.

¹ “Public Mental Health System” means publicly-funded mental health programs/services and entities that are administered, in whole or in part, by the DMH or County. It does not include programs and/or services administered, in whole or in part, by federal, state, county or private correctional entities or programs or services provided in correctional facilities.

I. Background

Section 5822(b) of the Welfare and Institutions Code required DMH to develop a Five-Year Workforce Education and Training Development Plan that included plans for a loan assumption program. The MHLAP is open to prospective and current employees of California's Public Mental Health System in return for their commitment to employment in a hard to fill and/or retain position. This financial incentive strategy is designed to recruit and retain individuals for the Public Mental Health System workforce that reflect California's diverse mental health consumer population.

The MHLAP will pay up to \$10,000 per year of the educational debt of a current or prospective employee in exchange for working for 12 consecutive months in a paid or volunteer position identified by the County Mental Health Director as hard to fill and/or retain. The inaugural cycle occurred in Spring 2009 and resulted in a total of 288 awards.

II. The Mental Health Loan Assumption Program (MHLAP) Administration

DMH and OSHPD-HPEF will jointly administer the MHLAP. The HPEF is a non-profit, public benefit corporation whose mission is to "improve access to healthcare in underserved areas of California by providing scholarships, loan repayments, and programs to health professional students and graduates who are dedicated to providing direct patient care in those areas." OSHPD-HPEF is authorized to repay outstanding educational loans held by lending institutions. Only applicants' educational loans are eligible for assumption.

A. Loan Assumption Eligibility

Eligibility for a loan assumption award is restricted to current or prospective mental health service providers in the Public Mental Health System who work (paid or voluntary), on a full- or part-time basis, in hard to fill and/or retain positions. Applicants must work a minimum of 20 hours per week. The County Mental Health Director or designee will verify that a loan assumption applicant is a current or prospective employee of the Public Mental Health System and that the individual's position is hard to fill and/or retain.

"Mental health service provider" means:

- Licensed psychologist
- Registered psychologist
- Postdoctoral psychological trainee
- Postdoctoral psychological assistant
- Licensed marriage and family therapist

- Marriage and family therapist intern
- Licensed clinical social worker
- Associate clinical social worker
- Licensed psychiatrist
- Registered psychiatrist
- Licensed or certified psychiatric mental health nurse practitioner
- Registered psychiatric mental health nurse practitioner

B. Loan Assumption Requirements

Loan assumption award recipients will be required to sign a contract with OSHPD-HPEF that outlines the provisions which must be met to fulfill the obligations under this program. A single payment shall be made on the award recipient's behalf after 12 consecutive months of employment and after current loan balance have been verified by OSHPD-HPEF. Payments shall be made directly to the lending institution(s) that hold the educational loan(s). Any participant who does not comply with his/her loan assumption agreement shall be removed or suspended from the Program.

The maximum MHLAP award is \$10,000 per year. An awardee may receive up to \$60,000 over a total of 72 months depending on the availability of funds. Current award recipients will not receive priority for funding. In no event shall the amount of the educational loan assumptions exceed the cumulative amount of the participant's outstanding educational loan balances as of the date the contract is signed between OSHPD-HPEF and the award recipient.

C. Application Deadlines

Eligible individuals interested in applying for the MHLAP are required to complete the attached MHLAP 2009-10 application (Enclosure 2). Application instructions and additional information on the MHLAP are detailed in the application. In order for an application to be scored, all forms and sections of the application must be completed and submitted by the appropriate due date. OSHPD-HPEF will notify applicants of their application results within 120 days of the final filing date.

There are two deadlines for this process:

- 1) The applicant's employer must send the County Employment or Volunteer Verification Form (Form) to the applicant's County Mental Health Director by **December 10, 2009**.
- 2) The County Mental Health Director or his/her designee will forward the Form to the HPEF by **January 24, 2010**.
- 3) The application, Educational Debt Reporting Form, lender statement(s), personal statement, two professional letters of recommendation, and proof

of licensure, registration, or waiver must be submitted to OSHPD-HPEF with a postmark of no later than **January 24, 2010**.

The application and supporting materials are available on the OSHPD-HPEF website: <http://www.oshpd.ca.gov/HPEF/MHLAP.html>.

Applicants with questions or need for assistance with the application may call OSHPD-HPEF staff at 1-800-773-1669 or 916-326-3640.

D. County Employment or Volunteer Verification

The Form must first be signed by the applicant's supervisor or administrative official who can verify the average hours worked and languages the applicant speaks fluently in the work setting. The applicant then submits the Form to the County Mental Health Director by December 10, 2009. A list of County Mental Health Directors can be found at <http://www.dmh.ca.gov/docs/CMHDA.pdf>.

For the applicant to be eligible for the MHLAP, the County Mental Health Director must verify that the applicant is or will be employed in the Public Mental Health System, in a hard to fill and/or retain position. Upon completing the Form, the County Mental Health Director forwards the Form directly to OSHPD-HPEF by January 24, 2010.

E. Selection Criteria, Review and Approval

OSHPD-HPEF will review the applications for completeness and verify that the applicants is in a hard to fill or retain position in the Public Mental Health System. All complete and eligible applications will be forwarded to an Advisory Committee that includes representatives from DMH, OSHPD-HPEF, County Mental Health Departments, and the public "at large." The following criteria will be used by the Advisory Committee to determine selection: personal statement, work experience, cultural and linguistic competence, fluency, personal and community background, community service, and career goals. Please note that the County Mental Health Director verifies on the Form that the applicant's language skills are needed to serve mental health consumers in his/her county. All applications must meet a pass rate of 65 percent to be considered eligible. Eligible applications will be ranked by score. Awardees will be selected within the funding limits allocated to each County.

Within 120 days of the application deadline, OSHPD-HPEF will notify each applicant whether his/her application was selected for an award, not selected, incomplete or ineligible. The successful applicants will receive notification of their FY 2009-10 award amount at that time. County Mental Health Directors will also receive the list of awardees. By June 30, 2010, OSHPD-HPEF will enter into a

contract directly with each successful applicant. The contract will detail respective responsibilities, obligations, and payment schedule.

For information specific to the MHLAP application process, please contact Judith Melson at (916) 326-3648, or JMelson@oshpd.state.ca.us. For further information, clarification or questions about this Information Notice, please contact Inna Tysoe at (916) 654-3662, or Inna.Tysoe@dmh.ca.gov.

Sincerely,

Original signed by

STEPHEN W. MAYBERG, Ph.D.

Director

Enclosures

cc: California Mental Health Planning Council
California Mental Health Directors Association
Mental Health Services Oversight and Accountability Commission
Deputy Director, Community Services Division
Office of Statewide Health Planning and Development – Health Professions
Education Foundation