



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 9<sup>th</sup> Street, Sacramento, CA 95814  
(916) 654-2309

October 27, 2011

DMH INFORMATION NOTICE NO.: 11-13

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) 2011-12

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 (OSHDPD-HPEF). There are important dates in this process:

- September 16, 2011 OSHDPD-HPEF released instructions for the application (The instructions can be found on OSHDPD-HPEF's website: <http://www.oshpd.ca.gov/HPEF/MHLAP.html>)
- December 10, 2011 applications due to OSHDPD-HPEF
- January 24, 2012 County Mental Health Directors verify that applicants work in a designated hard-to-fill position or one in which it is hard to retain staff (hard to fill/retain position) in the California Public Mental Health System<sup>1</sup>.

A total of \$5,639,584 for the MHLAP is available in State Fiscal Year (FY) 2011-12. The funds allocated for each County are displayed in Enclosure 1. These funds are composed of \$5 Million in FY 2011-12 funds and another \$639,584 carried forward from the 30 Counties that either did not receive any or sufficient eligible applications in the FY 2010-11 cycle.

## I. Background

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<sup>1</sup> "Public Mental Health System" means publicly-funded mental health programs/services 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 entity or programs or services provided in correctional facilities. (Cal. Code Regs., tit. 9, § 3200.254)

MHLAP is a financial incentive strategy designed to recruit and retain mental health professionals in the Public Mental Health System workforce who reflect California's diverse mental health consumer population. It was developed pursuant to section 5822, subdivision (b), of the Welfare and Institutions Code, which requires the Five-Year Workforce Education and Training Development Plan to include expansion plans for loan assumption offered to prospective and current employees of California's Public Mental Health System in return for their commitment to continued employment in the Public Mental Health System. The MHLAP is open to prospective and current employees of the Public Mental Health System who work in a hard to fill/retain position.

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

DMH and OSHPD-HPEF 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.

### **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/retain positions. Applicants must work a minimum of 20 hours per week. The applicant's County Mental Health Director, or designee, must 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/retain.

"Mental health service provider" means:

- Licensed Marriage and Family Therapists
- Marriage and Family Therapist Interns
- Licensed Clinical Social Workers
- Associate Clinical Social Workers
- Licensed Psychologists
- Registered Psychologists
- Postdoctoral Psychological Assistants
- Postdoctoral Psychological Trainees
- Licensed Psychiatrists
- Registered Psychiatrists
- Licensed Psychiatric Mental Health Nurse Practitioners

- Certified Psychiatric Mental Health Nurse Practitioners
- Registered Psychiatric Mental Health Nurse Practitioners
- Licensed Professional Clinical Counselors
- Counties may determine if other professions fit their hard-to-fill/retain criteria

## **B. Loan Assumption Requirements**

The maximum MHLAP award is \$10,000 per year. An awardee may receive up to \$60,000 over a total of 72 months. Current award recipients will not receive priority for funding. In no event shall the amount of the educational loan assumed 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.

Loan assumption award recipients will be required to sign a contract with OSHPD-HPEF that outlines the provisions that must be met to fulfill the obligations under this program. A single payment will 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 are 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.

## **C. Application Deadline: December 10, 2011**

All forms and sections of the application must be completed and submitted by December 10, 2011. OSHPD-HPEF will notify applicants of their application results within 120 days of the final filing date. Eligible individuals interested in applying for the MHLAP are required to complete the attached MHLAP 2011-12 application (Enclosure 2). Application instructions and additional information on the MHLAP are detailed in the application.

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. Verification Form Due: January 24, 2012**

The Verification Forms will be sent out in early January 2012 to County Mental Health Directors to verify that each applicant is or will be employed in a hard to fill/retain position. County verification will be due to the Health Professions and Education Foundation by January 24, 2012.

### **E. Selection Criteria, Review and Approval**

OSHPD-HPEF will review the applications for completeness, including the verification form indicating that the applicant is in a hard to fill/retain position in the Public Mental Health System. All eligible applications will be forwarded to the Advisory Committee that includes representatives from DMH, OSHPD-HPEF, County Mental Health Departments, and experts in the public mental health system. The following criteria will be used by the Advisory Committee to determine selection: work experience, cultural and linguistic competence, fluency, personal and community background, community service, and professional goals. Eligible applications will be ranked, and 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. Successful applicants will receive notification of the award amount at that time. County Mental Health Directors will also receive the list of awardees. By June 30, 2012, OSHPD-HPEF will enter into a contract directly with each awardee. The contract will detail respective responsibilities, obligations, and payment schedule.

For information specific to the MHLAP application process, please contact Linda Onstad-Adkins at (916) 326-3695, or [linda.onstad-adkins@oshpd.ca.gov](mailto:linda.onstad-adkins@oshpd.ca.gov). For further information, clarification or questions about this Information Notice, please contact Cynthia Burt at (916) 654-1188, or [Cynthia.burt@dmh.ca.gov](mailto:Cynthia.burt@dmh.ca.gov).

Sincerely,

Original signed by

CLIFF ALLENBY  
Acting Director

Enclosures

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