



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

December 2, 2010

DMH INFORMATION NOTICE NO.: 10-27

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) 2010-11

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

- September 16, 2010 OSHPD-HPEF released instructions for the application (The instructions can be found on OSHPD-HPEF's website: <http://www.oshpd.ca.gov/HPEF/MHLAP.html>)
- December 10, 2010 applications due to OSHPD-HPEF
- January 24, 2011 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 System¹.

A total of \$5,135,174.39 for the MHLAP is available in State Fiscal Year (FY) 2010-11. The funds allocated for each County are displayed in Enclosure 1. These funds are composed of \$5 Million in FY 2010-11 funds and another \$135,174.39 carried forward from the 17 Counties that either did not receive any or sufficient eligible applications in the FY 2009-10 cycle.

I. Background

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. (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 required DMH to develop a Five-Year Workforce Education and Training Development Plan. 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 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

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 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.

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 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, 2010

All forms and sections of the application must be completed and submitted by December 10, 2010. 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 2010-11 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, 2011

The Verification Forms will be sent out in early January 2011 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, 2011.

E. Selection Criteria, Review and Approval

OSHPD-HPEF will review the applications for completeness and verification 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 the public at large. 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, 2011, 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 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
Giang Nguyen, Executive Administrator, Community Services Division
Office of Statewide Health Planning and Development – Health Professions
Education Foundation