Mental Health Services Act (MHSA) Workforce Education & Training (WET) Financial Incentive Programs: Orange County Mental Health Loan Assumption Program

January 28, 2015
National Psychiatrist Shortage

• Shortage of psychiatrists, funding issues create crisis in mental health care (St. Louis Post-Dispatch)
• Shortage of Psychiatrists plaguing state, region, experts say (Times-Tribune – Ohio)
• Psychiatrists in short supply nationwide. Lower pay, limited respect for specialty blamed for scarcity (Pittsburgh Post-Gazette)
• Shortage of child psychiatrists has families scrambling for help (New Haven Register)
• Dire shortage of psychiatrists in Greater Lafayette leaves patients waiting months for help
Orange County Specifics

• According to the Association of American Medical Colleges, over half of all psychiatrist graduate from medical school with educational debt of $180,000 or more.
• Orange County pays up to 25% less than surrounding counties.
• Cost of living in Orange County is 6-21% higher than surrounding counties.
• Psychiatrists have a turnover rate nearly double that of other County employees.
• Open recruitments are left unfilled when no psychiatrists apply for the position.
Partial Statewide Solution

• Mental Health Loan Assumption Program (MHLAP)

• **Background:** MHLAP was created by the Mental Health Services Act (MHSA). The MHSA provides funding for a loan forgiveness program in order to retain and hire qualified professionals working within the Public Mental Health System (PMHS). Statewide, $10 million is allocated yearly to loan assumption awards.Currently an award recipient may receive up to $10,000 to repay educational loans in exchange for a 12-month service obligation in a hard-to-fill or retain position within the County PMHS.
Partial Statewide Solution

• Mental Health Loan Assumption Program (MHLAP)

• Eligible Professions: Counties determine which professions are eligible for MHLAP. Eligible professions include:
  • Registered or Licensed Psychologists,
  • Registered or Licensed Psychiatrists,
  • Registered or Licensed Marriage and Family Therapists,
  • Registered or Licensed Clinical Social Workers,
  • Peer Support Specialists,
  • Registered or Licensed Psych Mental Health Nurse Practitioners,
  • Others as determined by County’s workforce needs assessment
Shortcomings of MHLAP

• Award is capped at $10,000 annually and actual award amount is based on the number of eligible providers who apply for the MHLAP program.

• The award is typically less than $10,000 cap due to the number of eligible providers who apply for the MHLAP program.

• Lifetime cap of $60,000 only pays about one third of the average debt for psychiatrists.

• Statewide program does not address the specific needs of Orange County.
Other governmental solutions

- **Education Debt Reduction Program (V.A. System)**
  - Administered by the Department of Veterans Affairs
  - Participants can receive EDRP payments for up to five consecutive 12-month periods of paid service
  - Capped at $60,000, but this cap can be waived.

- **Public Service Loan Forgiveness Program (Federal)**
  - Available to employees who work full time in public service jobs.
  - Repays (forgives) loan balance after eligible participant makes ten years of minimum payments on their loans.
Local solution

- Orange County Mental Health Loan Assumption Program (OCMHLAP)
- Consistent with the Mental Health Services Act and Workforce Education and Training regulations.
- Local Loan Assumption Program would address local recruitment and retention issues.
- $1.5 million in available funding can be added to the WET component to fund the OCMHLAP.
- Will be targeted to recruit and retain psychiatrists through the development of an Orange County specific Loan Assumption Program.
- Would coordinate with other loan repayment programs.
Questions?
Thank You!

THANK YOU
Contact Numbers

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Workforce Education & Training

• “Workforce Education and Training” means the component of the Three-Year Program and Expenditure Plan that includes education and training programs and activities for prospective and current Public Mental Health System employees, contractors and volunteers.

• The WET component contains five funding categories:
  • (1) Training and Technical Assistance.
  • (2) Mental Health Career Pathway Programs.
  • (3) Residency and Internship Programs.
  • (4) Financial Incentive Programs.
  • (5) Workforce Staffing Support.
Financial Incentive Programs

California Code of Regulations, Title 9, Division 1, Chapter 14 (MHSA) Section 3200.125 defines “Financial Incentive Programs Funding Category” as the funding category of the Workforce Education and Training component of the Three-Year Program and Expenditure Plan that funds stipends, scholarships and the Mental Health Loan Assumption Program for the purpose of recruiting and retaining Public Mental Health System employees.