

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**
- **Fewer U.S. Med Students Choose Psychiatry: Report (U.S. News and World Report)**

Orange County Specifics

- According to the Association of American Medical Colleges, over half of all psychiatrists 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!



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.