

About

LOAN REPAYMENT



TEXAS COALITION FOR
HEALTHY MINDS

ABOUT LOAN REPAYMENT FOR MENTAL HEALTH PROFESSIONALS

The Loan Repayment Program for Mental Health Professionals encourages qualified mental health professionals to practice in a Mental Health Professional Shortage Area (MHPSA) and provide services to Medicaid and/or CHIP recipients. The program was created to alleviate workforce shortages by offering a financial incentive to work in underserved areas. It was designed to be both a recruitment and retention tool. Texas ranks second in the nation for the number of MHPSAs, and the program's funding has not kept pace with demand.

HOW IT WORKS

Participants agree to provide five years of service and the award amounts increase with each year. The amount of the award varies by category of provider, ranging from \$10,000 to \$160,000, and they are not disbursed until the participant completes one year of service.

Current professions eligible to participate:

- Psychiatrists
- Psychologists
- Advanced Practice Nurses
- Licensed Professional Counselors
- Licensed Clinical Social Workers
- Licensed Marriage and Family Therapists
- Licensed Chemical Dependency Counselors

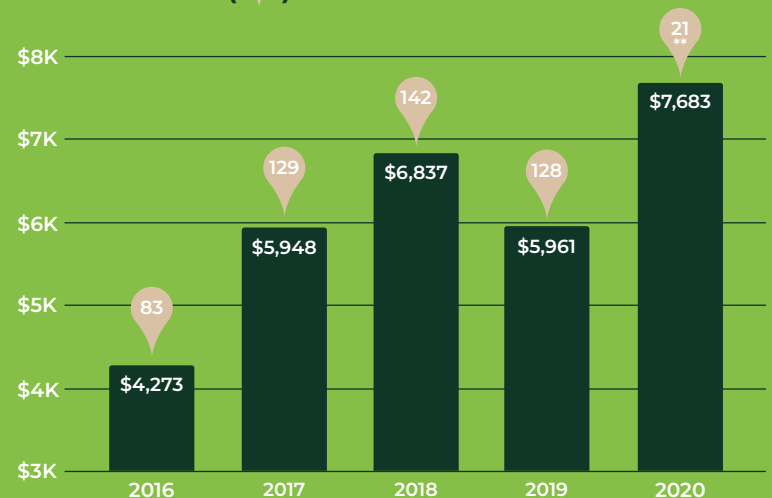
THE PROBLEM

The budget for the program has remained at **\$2 million per biennium** since its creation in 2015. When compared to the \$14 million investment in the Physician Loan Repayment Program — the mental health loan repayment program is **grossly underfunded**. Due to the limited funding, award amounts were reduced by 50% in FY 2019 to ensure that all participants received continued funding. **There have been no new applicants accepted into the program for the past three fiscal years.**

*Average award amount is dependent on the year of the program the provider is in, the profession type, and the participant's loan balance amount.

**Data as of August 4, 2021

Average Award Amount* and Number of Providers () Funded Each Fiscal Year



Source: THECB Personal Communication | June 2022

DETAILS

Allotment Amounts Allowed for Each Type of Health Worker

Recipients receive the following maximum award amounts over a five-year period:

\$160,000	Psychiatrists
\$80,000	Psychologists and licensed clinical social workers, licensed professional counselors, and licensed marriage and family therapists who hold doctoral degrees
\$60,000	Advanced practice nurses
\$40,000	Licensed clinical social workers, licensed professional counselors, and licensed marriage and family therapists who do not hold doctoral degrees
\$10,000	Licensed chemical dependency counselors who hold associate degrees

If the verified loan balance is less than the maximum aggregate award amount, the following percentages apply:

- 10% of the original verified loan balance awarded in year one
- 15% of the original verified loan balance awarded in year two
- 20% of the original verified loan balance awarded in year three
- 25% of the original verified loan balance awarded in year four
- 30% of the original verified loan balance awarded in year five

OUR SOLUTIONS & RECOMMENDATIONS



Increase funding to \$28 million per biennium to the existing Loan Repayment Program for Mental Health Professionals through the Texas Higher Education Coordinating Board (THECB), placing the budget to parity with the Physician Loan Repayment Program.



Amend eligibility requirements to accept professionals working in a state hospital or local mental health authority, regardless of location.

REFERENCES

Rural Health Information Hub. Health Professional Shortage Areas: Mental Health by County | 2022

Texas Higher Education Coordinating Board: Loan Repayment Program for Mental Health Professionals | 2022

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