APRIL 2017

POLICY EVALUATION BRIEF

Loan Repayment Program for Mental Health Professionals

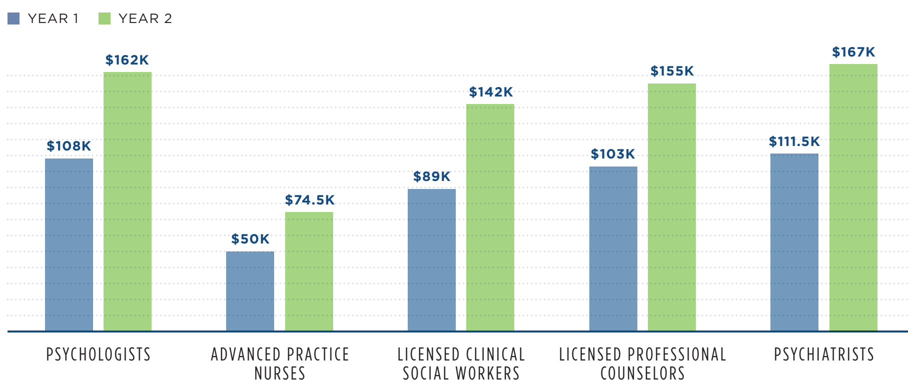
BACKGROUND

Senate Bill 239 (SB 239), which passed in the 84th Texas Legislative Session, created a program offering up to five years of student loan repayment assistance to mental health providers working in Mental Health Professional Shortage Areas (MHPSAs), to be administered by the Texas Higher Education Coordinating Board (THECB). The program provides repayment assistance to five types of mental health professionals (advanced practice registered nurses [APRNs], licensed clinical social workers [LCSWs], licensed professional counselors [LPCs], psychiatrists, and psychologists), with award amounts varying based on the profession and total loan amount. The THECB estimated the $2.13 million appropriation for this program would allow repayment awards for approximately 100 providers for a two-year repayment period.[1] The first round of the application process took place in Spring 2016.

PROVIDERS RECEIVING CONDITIONAL APPROVAL

The THECB received 490 applications for the program. In total, 109 mental health providers received conditional approval for the award, including 29 psychologists, 11 advanced practice nurses, 28 licensed clinical social workers, 33 licensed professional counselors, and eight psychiatrists. However, of the $2.13 million appropriated for the program, only $1,162,283 was awarded in the first round of applications. Issues that limited the amount of funding that was awarded (e.g., eligibility requirements, the stipulation that only 30 percent of the awards could be made to any one profession—"the 30 percent rule") are discussed later in this brief. The funds to be encumbered for each provider type in Years 1 and 2 are shown below.

GRAPH: FUNDS TO BE ENCUMBERED BY PROVIDER TYPE AND YEAR[2]



[1] Texas Higher Education Coordinating Board. (n.d.). *Loan repayment program for mental health professionals.* Retrieved from http://www.hhloans.com/index.cfm?objectid=EC6C1C10-8982-11E5-A0840050560100A9.

[2] Amounts are rounded to nearest $500 or $1,000 from original totals.

CONSIDERATIONS FOR POTENTIAL PROGRAM IMPROVEMENT

1. Rethinking the "30 percent rule" may allow allocated funds to be more fully expended. While the "30 percent rule" was intended to prevent funds from being concentrated into a single profession, THECB reported that this limitation resulted in their inability to award all allocated funds in the first year of the program. THECB received more eligible applications for some professions than they were permitted to award. For example, while 33 LPCs received conditional approval for the program, an additional 114 submitted applications that could not be awarded because of this limitation.
2. If this program was intended to have an impact on rural counties, additional criteria or preferences may need to be added. The MHPSA designation is based on the ratio of the population to the number of psychiatrists providing outpatient services in a geographic area. While it is true that providers tend to be concentrated in metropolitan areas, urban areas can be included as MHPSAs. If part of the intent of SB 239 was to provide incentives for mental health providers to work in rural areas of Texas, preferences for applications from rural areas, or a limitation on awards to urban areas, should be considered.

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CONSIDERATIONS FOR POTENTIAL PROGRAM IMPROVEMENT CONT'D FROM PREVIOUS PAGE

3. Reconsider the "first-come, first-served" rule that was used when awards were made to applicants employed in Texas correctional facilities. Ten percent of the awards were allocated for mental health professionals in Texas correctional facilities. A "first-come, first-served" provision was developed during meetings with program stakeholders before the rules were created to simplify the selection process for awardees working in these settings. According to the THECB, the "first-come, first- served" selection process may have resulted in awarding some applicants from facilities with a lower MHPSA score over applicants from facilities with a higher MHPSA score based on the timing of their application submission. Removing the "first-come, first-served" requirement would allow for those providers in MHPSAs with higher scores to possibly be chosen as a program participant regardless of the timing of their application. This would be helpful if the priority is to place providers in the highest MHPSA score areas.

4. Continue to strengthen and enhance communication efforts. Mental health provider and advocacy organizations appeared to have a stronger familiarity with loan repayment programs administered by HRSA and were less certain about who would be administering the SB 239 program or how the application process would progress. Continued enhancement of communication with provider and advocacy organizations, as well as institutions of higher education, may attract larger numbers of mental health providers and increase the application pool in future years.

5. Reconsider whether psychiatrists are better served by other loan repayment programs, and if removing them from eligibility for this program would increase access by other mental health professionals to the award. During the initial legislative analysis of the bill, a recommendation was put forward not to include psychiatrists in this program. This was in part due to psychiatrists' eligibility to apply for the Physician Education Loan Repayment Program (PELRP) administered by THECB, which provides up to four years of loan repayment funds and prioritizes applicants practicing within MHPSAs. While both the SB 239 loan repayment program and PELRP provide the same maximum aggregate award amount for psychiatrists, the annual award amounts are higher for PELRP since funds are distributed over four years instead of five. This may explain to some extent the lack of participation of psychiatrists in the SB 239 loan repayment program—the benefits of the PELRP program are greater as a result of the larger repayment amount each year. Because of these differences, the inclusion of psychiatrists in the SB 239 program may warrant reconsideration as they appear to be better served by the existing PELRP program and including them in the loan repayment program for mental health professionals limits the number of awards that can be made to other types of mental health providers.

ADDITIONAL BACKGROUND

MHPSAs are defined by federal U.S. Health Resources and Services Administration (HRSA) guidelines as geographic regions, such as counties, that have a ratio of 30,000 people or more per one psychiatrist.[3]

The bill specified three limitations to the program: 1) repayment assistance can be provided to a mental health professional for no more than five years, 2) no more than 10 percent of the student loan repayment grants can be awarded to mental health professionals working within Texas correctional facilities contracted under the Texas Juvenile Justice Department (TJJD) or the Texas Department of Criminal Justice (TDCJ), and 3) no more than 30 percent of the student loan repayment grants can be awarded to providers within any one of the mental health professions included in this program.[4]

ADDITIONAL DETAILS ON PROVIDERS MEETING ELIGIBILITY REQUIREMENTS

Providers who received conditional approval were primarily from urban counties (94 were from urban counties; 15 providers were from rural counties). The table on the following page compares the urban/rural distribution for each profession.

[3] Texas Department of State Health Services. (2014, September). *The mental health workforce shortage in Texas, as required by House Bill 1023, 83rd Legislature, Regular Session.* Retrieved from https://www.dshs.texas.gov/legislative/2014/Attachment1-HB1023-MH-Workforce-Report-HHSC.pdf.

[4] Repayment of Certain Mental Health Professional Education Loans, TX SB 239, Section 1, Chapter 61, Subchapter K. (2015). Retrieved from http://www.capitol.state.tx.us/tlodocs/84R/billtext/pdf/SB00239F.pdf#navpanes=0.

TABLE 1: URBAN/RURAL DISTRIBUTION OF MENTAL HEALTH PROFESSIONALS

PROVIDER PROFESSION	URBAN	RURAL
PSYCHOLOGISTS	22	7
ADVANCED PRACTICE REGISTERED NURSES (APRN)	10	1
LICENSED CLINICAL SOCIAL WORKERS (LCSW)	25	3
LICENSED PROFESSIONAL COUNSELORS (LPC)	29	4
PSYCHIATRISTS	8	0

Tables 2 and 3 show the three urban and rural counties[5] that had the largest number of providers receiving conditional approval.

TABLE 2: TOP THREE URBAN COUNTIES WITH A PROVIDER RECEIVING CONDITIONAL APPROVAL

COUNTY	PSYCHOLOGISTS	APRNS	LCSWS	LPCS	PSYCHIATRISTS	TOTAL
HARRIS	2		11	2	5	20
BEXAR	5	1	1	7		14
HIDALGO	2			8		10

TABLE 3: TOP THREE RURAL COUNTIES WITH A PROVIDER RECEIVING CONDITIONAL APPROVAL[6]

COUNTY	PSYCHOLOGISTS	APRNS	LCSWS	LPCS	PSYCHIATRISTS	TOTAL
ANGELINA		2	1			3
BROWN			1	1		2
CHEROKEE	1			1		2

Providers applied from a variety of facility types, with the highest number working in local mental health authorities (n=25), community health centers (n=17), private practices (n=17), and clinics (n=14). Other facility types included state and local hospitals, state-supported living centers, TJJD, and TDCJ.

Prepared by Michele R. Guzmán, PhD, Vice President for Administration and Senior Director of Evaluation, and Kendal Tolle, LMSW, Assistant Director of Evaluation.

Assistance provided by Alexa White, MPH, Evaluation Project Manager, and editorial review by Bill Wilson, MSW, of TriWest Group.

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For more information, please contact info@texasstateofmind.org.

[5] Other urban and rural counties with one or more mental health professionals receiving conditional approval include: Bastrop, Bee, Bell, Brazos, Cameron, Cooke, Dallas, Grayson, Guadalupe, Jasper, Jim Wells, Karnes, Kaufman, Kerr, Lubbock, Matagorda, Nueces, San Patricio, Taylor, Webb, Wichita, Wilbarger, Yoakum, and Young.

[6] Five rural counties each had two mental health professionals receive conditional approval. The counties included in Table 3 were selected based on alphabetical order. Other rural counties that had two professionals who received conditional approval were Cooke, Kerr, and Wilbarger counties.

DETAILS ON PROVIDERS NOT MEETING ELIGIBILITY REQUIREMENTS

A total of 266 providers did not meet eligibility requirements for the program. More than half (n=152) were licensed professional counselors. Most ineligible applicants were from urban counties (n=253), with Harris County having the highest number of ineligible providers (n=47). About one fourth of the ineligible providers worked at a local mental health authority (n=67). The most common reason for ineligibility was that the provider's facility was not located in a MHPSA, which accounted for 193 of the ineligible applications. Additional reasons for ineligibility included: the applicant was an intern (n=34), both the intern and facility were not located in a MHPSA (n=17), the applicant was not an eligible provider type (n=6), the applicant worked in a Veteran's Administration Center (n=6), the applicant was not licensed (n=5), all of the applicant's loans were in default (n=2), the applicant worked only part-time in a MHPSA (n=2), and the applicant was already enrolled in another loan repayment program (n=1). Early in the application process, feedback was provided to THECB that content on their website concerning program eligibility was not clear; THECB promptly revised this content. Continued attention to providing the greatest clarity possible about eligibility criteria on the website may increase submissions of eligible applications. THECB staff also noted that the large number of ineligible applications could be attributed to this being the first year the program was offered.