



NHSC Primer for Licensed Psychologists

ARRA 2009 and FY 2010 National Health Service Corps (NHSC)

Loan Repayment Program (LRP)¹

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I. What is the NHSC Loan Repayment Program (LRP)?

The NHSC LRP is a loan repayment program run by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS). There are federal and state LRPs funded by HRSA. The NHSC LRP recruits fully-trained health professionals to provide culturally competent, interdisciplinary primary health services to underserved populations throughout the country. In return, the NHSC LRP assists clinicians in their repayment of qualifying educational loans that are still owed. Licensed clinical and counseling psychologists are eligible to participate in this program by serving at sites in a Health Professional Shortage Area (HPSA) with a Mental Health Designation.

The NHSC LRP is a two-year commitment. Licensed psychologists are eligible for up to \$50,000 in loan repayments for the initial two years and may be eligible to continue their loan repayment beyond two years if they have unpaid qualifying educational loans and continue to serve at an eligible site.

The 2009 American Reinvestment and Recovery Act (Recovery Act) provided \$300 million to support the NHSC. Through fiscal year 2010 approximately \$200 million will enable the NHSC Loan Repayment Program to assist the neediest communities by placing more than 3,300 nurses, dentists, psychologists, and other primary care providers.

Given this unprecedented funding through the Recovery Act, this year is a great time for psychologists to apply for loan repayment through the NHSC.

II. Am I eligible?

1. To be eligible for loan repayment, all NHSC LRP participants must:

- a. Be a U.S. citizen, and
- b. Participate or be eligible to participate in Medicare/Medicaid/State Children's Health Insurance Program Participation, and
- c. Be free of judgment liens arising from Federal debt, and
- d. Have no outstanding contractual obligations for service at the time of award and NHSC participation (see Applicant Information Bulletin for Members of a Reserve Component of the Armed Services), and
- e. Have no breach of a prior service obligation, and
- f. Not be excluded, debarred, suspended, or disqualified by a Federal Agency, and
- g. Serve full time (40 hours a week) in the clinical practice of your profession, and
- h. Commit to providing primary care service in a priority health professional shortage area for a minimum of two years, and
- i. Submit a complete application by the LRP application deadline in which the individual is applying.

2. Health Service Psychologists (HSP) must:

- a. Have a doctoral degree (Ph.D. or equivalent) directly related to full professional work in clinical or counseling psychology from a school accredited by the American Psychological Association, Committee on Accreditation, and
- b. Have a minimum of one year of post-graduate supervised clinical experience, and
- c. Have successfully passed the Examination for Professional Practice of Psychology (EPPP), and
- d. Be able to practice independently and unsupervised as a health service psychologist³, and

¹ This Primer is intended as a guide to the ARRA of 2009 and FY2010 NHSC LRP. Future LRP Applications may differ from this guide. Please refer to <http://nhsc.hrsa.gov/loanrepayment> for the most up to date information.

² This is a draft based on information provided in the NHSC LRP ARRA2009 and FY2010 Applicant Information Bulletin as of 7/20/09. As more information about this application cycle becomes available, this document may be updated. Check <http://nhsc.hrsa.gov/loanrepayment/> for more information or contact APA at lschussler@apa.org.

- e. Have a current, full, permanent, unencumbered health professional license (or if applicable, a current, unencumbered certificate or registration) to engage in the independent and unsupervised practice of clinical or counseling psychology in the State in which they intend to practice to fulfill their NHSC LRP service obligation.

III. What are the benefits of the NHSC LRP?

1. Loan Repayments

The NHSC LRP will provide funds to program participants to repay their outstanding qualifying educational loans. Payments are disbursed to participants in the form of a lump sum payment. The loan repayments are exempt from federal gross income and employment taxes. These funds are not included as wages when determining benefits under the Social Security Act.

- a. The NHSC LRP will pay up to \$50,000 for two years of service, based on the participant's outstanding balance of qualifying educational loans. If the total amount of the participant's qualifying educational loans is less than \$50,000, the NHSC LRP will pay the remaining balance of the total qualifying educational loans for two years of service.
- b. You may be eligible to continue your loan repayment beyond two years, one year at a time, to the extent you have unpaid qualifying educational loans and continue to serve at an eligible site. One-year amendments are awarded for a maximum of \$35,000 per year for the third and fourth years, up to \$25,000 for a fifth year, up to \$20,000 for a sixth year, and up to \$15,000 for years seven and beyond.

2. Salary

The NHSC LRP participant will receive a salary and benefits from the employing community site. The community site cannot guarantee an NHSC LRP contract award; therefore, the NHSC loan repayments must not be part of the salary negotiations between clinicians and community sites. Clinicians choose their practice site before applying to the NHSC LRP.

IV. What types of loans qualify for the program?

NHSC LRP participants will receive monies to be applied to the principal, interest, and related expenses of Government (Federal, State, or local) and commercial loans obtained by the participant for school tuition and required fees, other reasonable educational expenses, and reasonable living expenses. The tuition, fees and expenses are limited to those incurred by the participant for undergraduate and graduate education leading to a doctoral degree in psychology.

V. If I am interested, where do I begin?

You may view the NHSC Application Bulletin which contains full details of the program, requirements, and the application process and forms for applying to the program: <http://nhsc.hrsa.gov/loanrepayment>. At the time the application is submitted, the applicant must have completed or be in the final stages of an employment contract with an NHSC community site. If you are interested, you should begin this process immediately.

VI. What sites are eligible for the NHSC Loan Repayment Program?

The eligible NHSC community sites are places that provide outpatient primary health services to populations residing in HPSAs throughout the Nation in both rural and urban communities. Examples of types of NHSC sites are Federally Qualified Health Centers (FQHCs) and Look-alikes, Certified Rural Health Clinics (RHCs), Federal Indian Health Service Clinics, State Prisons, solo or group practices, Public Health Departments, and Hospital-affiliated primary care practices.

The following sites are *not* eligible for NHSC LRP, even if they have a HPSA Score: hospitals, county/local prisons, and other inpatient facilities. Please note that other federal agencies such as the Department of Veterans Affairs, Federal Bureau of Prisons, or Indian Health Services, administer their own loan repayment programs.

VII. Where do I find a job that qualifies for the NHSC LRP?

- 1. Sites on the NHSC Job Opportunities List:** The first step to applying for the NHSC Loan Repayment Program is to locate a community that needs you by going to the NHSC Opportunities List at

³ Individuals practicing solely as educational psychologists are not eligible to participate in the NHSC LRP.

<http://nhscjobs.hrsa.gov/>. If you accept employment at one of the many eligible sites, you can apply. While employment at an eligible site is a requirement to qualify for this program, it is not a guarantee of an award.

2. **HPSAs, not listed on the NHSC Opportunities List:** If you gain employment that is not on the NHSC Opportunities List, but is located in a federally-designated Health Professional Shortage Area (HPSA) for mental health, that site may still be eligible for NHSC LRP. In order to be eligible, the site needs to fill out the NHSC Recruitment and Retention (R&R) Assistance Application. If the application is approved, that site would be eligible to hire a psychologist through the NHSC LRP. More information about the R&R Assistance Application and criteria for consideration can be found at <http://nhsc.hrsa.gov/communities/>. *Deadline for R&R Assistance Application: March 26, 2010.*
3. **Underserved area, without a HPSA designation:** If you gain employment at an underserved community site that does not have a HPSA designation, the facility may apply for one. For details, go to <http://bhpr.hrsa.gov/shortage/hpsapply.htm>. Once the site receives a HPSA designation for mental health, it will need to fill out the NHSC R&R Assistance Application (see Section 2, above).
4. **Private Practice Option:** Psychologists can serve as solo practitioners. Check out the website for more information about additional forms: <http://nhsc.hrsa.gov/loanrepayment/practiceassignments.htm>.

VIII. How does the NHSC determine which clinicians will receive loan repayment?

1. Disadvantaged Background

Applicants with documented disadvantaged background will be funded regardless of HPSA score. The applicant must submit certification from a school that an individual was identified as having a “disadvantaged background” based on environmental and/or economic factors. Check with your degree-granting institutions to see if you qualify.

2. Need (HPSA Score)

For the award cycles through FY2010, NHSC LRP contracts will be awarded to eligible applicants practicing in the neediest communities. Need is determined by using the Health Professional Shortage Area (HPSA) designation score. These scores are indicated on the NHSC Opportunities List – the higher the score, the greater the need. Therefore, individuals interested in applying for the NHSC LRP can maximize their chances for receiving an award by choosing sites with the highest HPSA scores. Individuals who gain employment at sites with a HPSA score of 10 or above will be given second priority for funding. These awards will be made on an ongoing basis. If funds are available, those clinicians who obtain employment at sites with a HPSA score of less than 10 will be considered in order of decreasing HPSA score until funds are exhausted.

With the Recovery Act funds, HRSA will likely accept much lower HPSA scores than in previous years. In 2008, HPSA scores as low as 8 (out of a possible 26 points) were funded, and HRSA may fund lower HPSA scores this year.

3. Vacancy Limitations

The NHSC also places vacancy limitations on each of their sites. Community sites may have several vacancies per discipline category posted on the NHSC Opportunities List. The maximum number of NHSC LRP clinicians serving in each community site for Behavioral and Mental Health will be determined by the HPSA score. It should be noted that these limits have been significantly raised with ARRA funding as compared to previous years. For sites with a HPSA score of 14-26, there can be no more than a combined total of 15 Clinical or Counseling Psychologists, Licensed Clinical Social Workers, Licensed Professional Counselors, Marriage and Family Therapists, or Psychiatric Nurse Specialists serving as NHSC LRP participants. The total number of clinicians decreases as the HPSA score decreases (see the Applicant Information Bulletin). You should check with your prospective site to see if they currently have other Mental Health NHSC participants as this could impact your chances of receiving NHSC loan repayment.

IX. State Loan Repayment Programs

In addition to the federally-run NHSC LRP, HRSA provides matching funds directly to States to operate their own loan repayment programs. Each state’s program is different, so for information about state loan repayment programs, please contact the states directly at <http://nhsc.hrsa.gov/loanrepayment/state.htm>.

IMPORTANT DATES

The NHSC LRP will have open and continuous receipt, evaluation, and funding of applications through the conclusion of FY 2010 (September 30) or until funds are exhausted, whichever comes first.

Cycle 1 – July 16, 2009
Cycle 2 – August 27, 2009
Cycle 3 – November 19, 2009

Cycle 4 – February 25, 2010
Cycle 5 – April 29, 2010
Cycle 6 – July 29, 2010

A complete application is one that includes the submission of the online application and BCRSIS Banking Information (banking form) and a signed hard copy of the online application, banking form, all required supplemental forms and supporting documentation described in the Applicant Information Bulletin postmarked by one of the open and continuous cycle consideration periods.

30 days after the submission deadline in which the applicant is applying: Deadline for an applicant to start their employment at the eligible and approved community site.

March 26, 2010: Deadline for sites to submit a Recruitment and Retention Assistance Application in order to be considered for ARRA and FY2010.

September 30, 2010: All NHSC LRP two-year contracts for these cycles will be awarded no later than this date.

Contact information:

NHSC Loan Repayment Program: CallCenter@hrsa.gov or 1-800-221-9393 (TTY: 1-877-897-9910)
(Monday – Friday (except Federal holidays), 9 am to 5:30 pm ET)

NHSC Site/Community: 1-877-313-1823 or (DC Metro Area) 301-446-1630
(Monday – Friday (except Federal holidays), 8 am to 6 pm ET)

Definitions

Full-Time Clinical Practice - Working a minimum of 40 hours per week, for a minimum of 45 weeks per service year in a primary care setting. The 40 hours may be compressed to no less than 4 days per week. At least 21 hours of the 40 hours per week must be spent providing direct patient counseling during normally scheduled office hours in an ambulatory outpatient care setting in the office(s) specified in the Community Site Information Form. The remaining hours must be spent providing clinical services in alternative settings, or performing practice-related administrative activities. Administrative and other non-clinical activities may not exceed 8 hours per week.

Practice-related administrative activities include teaching, attending staff meetings, supervision of other clinicians, court appearances, and other non-treatment related activities pertaining to the clinician's approved NHSC practice.

Supervision of other clinicians is defined as an administrative activity if the clinician being supervised is treating the patient and billing for such treatment in his or her name. If the supervising clinician is treating the patient and billing for such treatment under his or her name, this activity would be counted as direct clinical services for the supervising clinician.

Health Professional Shortage Area (HPSA) – A HPSA is a geographic area, population group, or public or nonprofit private medical facility that has been designated by the Secretary of the Department of Health and Human Services through the Office of Shortage Designation within HRSA's Bureau of Health Professions as having a shortage of health professionals. There are HPSAs for primary health care, dental health, and mental health. HPSAs are assigned a numerical score based on the level of need.

For Further information, contact Lauren Schussler (lschussler@apa.org).