



## **Licensed Mental Health Services Provider Education Program (LMH)**

### **Fiscal Year 2023-24 Grant Guide**

Purpose: This Grant Guide is intended to serve as a comprehensive resource of program information and details. Applicants will find steps to complete their application and Grantees can review program requirements to complete their service obligation. **Please read this guide, in full, prior to contacting program staff.**

All applicants must agree to the terms and conditions prior to receiving funds. The Department of Health Care Access and Information will not make changes to the terms and conditions specified in this Grant Guide.

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## Section I: LMH Grant Information

### A. Background and Mission

The Department of Health Care Access and Information (HCAI) works to increase and diversify California’s healthcare workforce by providing scholarships and loan repayments to health professional students and graduates who provide direct client care in those communities.

LMH is funded through a \$20 surcharge for renewal and licensure fees of psychologists, marriage and family therapists, licensed clinical social workers, and professional clinical counselors in California. Through special funding, psychiatric nurses, psychiatric mental health nurse practitioners, behavioral disorder counselors, mental health counselors, rehabilitation counselors, and substance use disorder counselors are also eligible. Eligible applicants may receive loan repayments of up to \$30,000 in exchange for a 24-month service obligation practicing and providing direct client care in a qualified facility. The purpose of this program is to increase the number of appropriately trained mental healthcare professionals providing direct care in a qualified facility or area in California.

### B. Eligibility Requirements

#### 1. Provider Eligibility Requirements

To be eligible for an LMH award, each applicant must:

- Possess a valid unrestricted professional license and/or certification to practice your profession in California.
- Be in good standing with your respective board and/or certifying organization.
- Not have any other existing service obligations with other entities, including other HCAI programs.
- Not be in breach of any other health professional service obligation.
- Have unpaid educational loans.
- Commit to providing a 24-month service obligation in a medically underserved area or in a qualified facility.
- Provide 32 hours or more per week of direct client care.
- Complete and submit an application through the [HCAI Funding Portal](#) by July 31, 2023, at 3:00 p.m.

#### 2. Former Foster Youth

Assembly Bill 2608 sets aside funds to be used solely to fund grants to repay educational loans for applicants who meet the eligibility requirements and who were formerly in California’s foster youth care system.

Applicants must meet the provider eligibility requirements above and provide proof of former foster youth status.

#### 3. Eligible Disciplines

LMH applicants must be currently licensed, and/or have a valid certification, and practicing one of the following disciplines:

• Associate Clinical Social Worker*	• Mental Health Counselor
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• Associate Marriage and Family Therapist*	• Postdoctoral Psychological Assistant
• Associate Professional Clinical Counselor*	• Postdoctoral Psychological Trainee
• Behavioral Disorder Counselor	• Psychiatric Mental Health Nurse Practitioner
• Licensed Clinical Social Worker*	• Psychiatric Nurse
• Licensed Marriage and Family Therapist*	• Rehabilitation Counselor
• Licensed Professional Clinical Counselor*	• Substance Use Disorder Counselor
• Licensed Psychologist	• Waivered Psychologist

\*Former foster youth must be practicing in one of these six eligible professions.

#### 4. Practice Site Eligibility Requirements

For a facility to qualify, it must be in one of the following eligible geographic or approved site designations:

• Children’s Hospitals	• Publicly Funded Mental Health Facility	• Substance Use Facility
• Correctional Facility	• Public Mental Health Facility	• Veteran’s Facility
• County Health Facility	• Public School Facility	
• Health Professional Shortage Area – Mental Health (HPSA-MH)	• Non-Profit Mental Health Facility that contracts with a county entity to provide mental health services	

**NOTE: Temp agencies and management services companies are not an eligible employer. To be eligible while working for one of these companies, the facility you provide direct client care services in must be one of the eligible geographic or site designations listed above.**

**NOTE: If you are providing services via telehealth, your employer must have a physical office in California, and it must be one of the eligible geographic or site designations listed above.**

#### 5. Qualifying Educational Loans

- Qualified Lender: Qualifying commercial lending institutions are those subject to examination and supervision by an agency of the United States, or by the state in which the institutions have their place of business.
- Loans (government and commercial) obtained from a qualifying lender for undergraduate and graduate health profession degrees.
- Consolidated educational loans that clearly delineate the original loans and the degrees conferred.

The following types of debt are **not eligible** for loan repayment under LMH:

<ul style="list-style-type: none"> <li>Consolidated with loans owed by another person</li> </ul>	<ul style="list-style-type: none"> <li>Loans in default</li> </ul>	<ul style="list-style-type: none"> <li>Parent PLUS loans</li> </ul>
<ul style="list-style-type: none"> <li>Consolidated with mortgage loan</li> </ul>	<ul style="list-style-type: none"> <li>Loan not in the provider’s name</li> </ul>	<ul style="list-style-type: none"> <li>Personal lines of credit</li> </ul>
<ul style="list-style-type: none"> <li>Credit card debt</li> </ul>	<ul style="list-style-type: none"> <li>Loan repaid in full</li> </ul>	<ul style="list-style-type: none"> <li>Primary Care Loan (PCL) Program</li> </ul>

Applicant’s educational loans must be in good standing. “Good standing” for the purposes of educational loan debt is defined as not being in default. Applicants may have educational loans that are in deferment and/or forbearance. Applicants who are awarded must continue to make payments during their terms of their contract.

**C. Award Amounts and Available Funding**

**1. Available Funding**

LMH funding comes from licensure fees and special funding. Approximately **\$936,000** is available to both licensed and certified mental health professionals in California.

In the event there is additional state funding available, HCAI has the discretion to make additional awards.

**2. Award Amount**

The maximum award amount for the Licensed Mental Health Services Provider Education Program (LMH) is **\$30,000**. HCAI may award full, partial, or no funding to an applicant, based on the applicant’s success in meeting the selection criteria, and the amount of available funds. Applicants will not be awarded more than their total educational debt left on their loan balance.

A Grantee may apply for additional awards following the successful completion of their current LMH agreement. To remain eligible, the individual must still have qualifying educational loans, successfully completed their current LMH agreement, and meet all the other LMH eligibility requirements. A Grantee can apply for an award every year they are eligible contingent on the availability of funding.

A new application must be submitted to be considered for an award, as each service obligation requires a separate contract, therefore obligations may not overlap, nor be considered a continuation of a previous agreement.

**D. Initiating an Application**

The applicant is responsible for providing all necessary information and ensuring that the information contained in the application is accurate.

Applicants must register and submit all applications (including all required forms, documents and/or attachments) through the web-based eApp <https://funding.hcai.ca.gov/>.

New applicants must first register as a user to access the application materials. Returning applicants must use their previous email and password to login. Section II: Provider eApp Technical Guide contains information regarding how to register and complete your application.

You may apply for more than one (1) HCAI scholarship or loan repayment program at a time. However, if awarded, you can only contract for one (1) service obligation at a time.

## E. Service Obligation

Grantees must provide full-time service in direct client care, including practicing for a term of at least 24 months at a qualified facility in California in an eligible profession. “Full-time Service” is defined as a minimum of 32 hours per week. “Direct Client Care (DPC)” means the provision of health care services provided directly to individuals being treated for or suspected of needing mental health services. Direct client care includes both, face-to-face and telehealth-based preventative care and first line supervision. “First-line Supervision” means the direct supervision of staff who are providing direct client care.

### 1. Practice Site Absences

Grantees may take up to **eight (8) weeks**, during the Term of this Agreement, away from their Approved Practice Site for any leave of absence approved by their practice site, except otherwise required in order to comply with applicable federal and state laws, without affecting their service obligation.

Should Grantee take more than **eight (8) weeks** as stated above and HCAI agrees to this, HCAI and Grantee agree to amend the term of this Agreement to extend the service obligation for each day of absence over the allowable **eight (8) weeks**.

### 2. Communication Requirements

Grantees must email HCAI within these specified timeframes for the following reasons:

#### a. 15 calendar days if you:

- Have any change in full-time status, including but not limited to, a decrease in the number of hours per week providing direct client care (falling below 32 hours), termination, resignation, or leave of absence in excess of the time permitted outlined under “Practice Site Absences.”

#### b. 30 calendar days if you:

- Have any change in Practice Site. HCAI will verify if the practice site is eligible. An Employment Verification Form (EVF) must be submitted to Program Officer via email.
- Change your name, residential address, phone number and/or email address. The eApp “Profile”-page must be updated to reflect this change prior to contacting their Program Officer via email.

#### c. 90 calendar days if you:

- File a petition with HCAI for modification of the amount to be paid or repaid and/or the time of repayment regarding a potential breach in contract.

**NOTE: It is highly recommended that you contact your Program Officer via email, prior to any of the above changes taking effect.**

## F. Evaluation and Scoring Procedures

Applications submitted between May 1, 2023, and the early submission date of July 17, 2023, will be eligible for one application review from LMH staff. In an application is determined to be incomplete or erroneous, staff will notify the applicant and they will have five (5) business days to update their application. An application is considered final if an applicant does not make any changes to the application by the established due date. Applications submitted after July 17, 2023, but before the application close date of July 31, 2023, are considered final.

HCAI may make multiple awards. Please refer to Attachment A: Evaluation and Scoring Criteria. Final awards include consideration of the following elements:

1. At the time of application closing, HCAI will check each application for the presence or absence of required information in conformance with the submission requirements.
2. HCAI may reject applications that contain false or misleading information.
3. HCAI will use the evaluation tool in Attachment A: Evaluation and Scoring Criteria to score applications and will grant awards to the highest scored applications. HCAI intends for this application to support multiple counties in California by providing a distribution of awards throughout the state. HCAI may give preference to applications seeking to support geographic regions not addressed by other similarly scored applications.

**G. Award Process**

HCAI will notify selected applicants after finalizing all award decisions. The award process time can vary depending upon the number of applications received. HCAI will use DocuSign to send contract documents to Grantee for review and signatures.

**H. Grant Agreement Deliverables**

The Grantee shall:

- Submit four (4) progress reports through the eApp, during the 24-month service obligation. The schedule of those reports is based on your contract start date (October 31, 2023) as follows:

<b>Deliverable</b>	<b>Date Available*</b>	<b>Due Date</b>	<b>Payment Assoc.</b>
Progress Report One	May 1, 2024	May 31, 2024	No
Progress Report Two	November 1, 2024	November 30, 2024	Yes
Progress Report Three	May 1, 2025	May 31, 2025	No
Progress Report Four	November 1, 2025	November 30, 2025	Yes

*\*Availability dates are approximate.*

**I. Required Grant Documentation**

- Contact Program Officer via email to request an Employment Verification Form (EVF) to complete **anytime** there is a change in practice site.
- Contact Program Officer via email to request and submit a Payee Data Record form (STD204) anytime there is a change in the Grantee’s name and/or residential address.

**J. Post Award and Payment Provisions**

1. HCAI expects the Grantee will begin performance of the grant agreement on the start date listed on the grant documents. Work performed, and payments before the grant agreement start date, will not count towards the requirements for the grant agreement.
2. Grantee may terminate the Agreement, no later than 45 days before the end of the fiscal year in which HCAI entered into the agreement. To request a termination, Grantee must:
  - a. Submit a written request via email.

- b. Repay all amounts paid to the Grantee pursuant to this Agreement. The Grantee shall make all repayments before the end of the fiscal year in which the Grantee received payment from HCAI.
- 3. The State Controller’s Office (SCO) mails a paper check directly to the Grantee’s residential address on file. **Note: Please ensure HCAI has your most recent residential address on file to avoid delay in payment.** See Attachment B: Sample Grant Agreement, Section D: Payment Provisions and Reporting Requirements, for detailed information.
- 4. HCAI cannot provide tax advice to Grantees. HCAI staff are not tax professionals and tax consequences may vary depending on the Grantee. For this reason, Grantees should seek professional tax advice.

**K. Breach Policy**

HCAI reserves the right to recover monies for the Grantee’s failure to perform the obligations set forth in the grant agreement. Refer to Attachment B: Sample Grant Agreement – Section G: Breach for detailed information.

**L. Key Dates**

The key dates for the program year are as follows:

Event	Date	Time
Application Available	May 1, 2023	3:00 p.m.
Application Early Submission	July 17, 2023	3:00 p.m.
Application Submission Deadline	July 31, 2023	3:00 p.m.
Anticipated Award Notice Date	August 2023	N/A
Proposed Grant Agreement Start Date	October 31, 2023	N/A

**M. Contact Us**

For questions related to LMH and the eApp, please email HCAI staff at [HWDD-LRP@hcai.ca.gov](mailto:HWDD-LRP@hcai.ca.gov).

## Section II: Provider eApp Technical Guide

### Provider eApp Technical Guide

#### 1. Accessing the Application System

HCAI uses the eApp to allow healthcare providers and students to submit applications. This Grant Guide contains information you need to complete and submit an application in the eApp.

To access the eApp, go to <https://funding.hcai.ca.gov/>. To ensure proper functionality in the eApp, use Chrome or Microsoft Edge, as Internet Explorer is no longer supported. Using a Windows-based PC/laptop is recommended. We do NOT recommend accessing eApp, via smartphones, tablets, and/or iOS-based devices.

#### 2. Registration and Login

All applicants must register in the eApp system before beginning an application. To register as a new user, click the “Create Account” button on the home page and follow the instructions. After submitting your email address and creating a password, you will receive an email (from [no-reply@hcai.ca.gov](mailto:no-reply@hcai.ca.gov)) with an account activation link. Click the link in the email to return to the eApp and complete your user Profile. After your user Profile is completed, navigate to the “Apply Here”-tab to begin your application.

#### 3. Submitting an Application

- By submitting the application, you agree to the grant Terms and Conditions.
- HCAI will not consider late and/or incomplete applications. For more detailed information, refer to Key Dates in this Grant Guide.
- Once you click the “Submit” button, you **cannot** go back to revise the application.
- The eApp will email you a confirmation of submission.

#### 4. LMH Application Components

A submitted application must contain all required information and conform to the Grant Guide format.

The LMH application has eight (8) sections to complete:

1. General Information
2. Contact Information (**one contact required**)
3. Educational Information
4. Professional Information
5. Employment Verification
6. Educational Debt
7. Required Documents
  - **You must submit documents in one of the following file formats: .jpg, .doc, .docx, or .pdf. If you submit a document in another format, it will be rejected and will put your application at risk of not being complete.**
8. Application Certification

**Attachment A: Evaluation and Scoring Criteria**

<b>Core Categories</b>	<b>Guidelines</b>	<b>Points</b>
<b>Languages Spoken</b>	<p><b>25 points:</b> Speaks one or more listed languages fluently/well enough to be able to provide direct care services to clients.</p> <p><b>0 points:</b> Does not speak more than one language.</p>	<b>25 points max</b>
<b>Health Professional Shortage Areas</b>	<p>How many years of experience do you have working or training in Health Professional Shortage Areas (HPSA)?</p> <p><b>25 points:</b> Five or more years</p> <p><b>20 points:</b> Four years</p> <p><b>15 points:</b> Three years</p> <p><b>10 points:</b> Two years</p> <p><b>5 points:</b> One year</p> <p><b>0 points:</b> Less than one year</p>	<b>25 points max</b>
<b>Economically Disadvantaged</b>	<p>As defined by the Scholarship for Disadvantaged Students program, have you been identified as having a disadvantaged background based on environmental and/or economic factors, or did you receive a federal Exception Financial Need Scholarship?</p> <p><b>25 points:</b> Yes</p> <p><b>0 points:</b> No</p>	<b>25 points max</b>

Core Categories	Guidelines	Points
<p align="center"><b>Cultural Competency</b></p>	<p><b>Which underserved/underrepresented populations do you have experience working with (paid and/or unpaid)? Please select all that apply.</b></p> <ul style="list-style-type: none"> <li>• American Indian, Native American, or Alaska Native</li> <li>• Black, African American, or African</li> <li>• People who are deaf/hard of hearing</li> <li>• Individuals with few literacy skills, or not literate</li> <li>• People with a disability (vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and/or independent living difficulty)</li> <li>• Hispanic or Latinx</li> <li>• Indigenous populations(s)</li> <li>• LGBTQ+</li> <li>• Middle Eastern</li> <li>• Native Hawaiian or other Pacific Islander</li> <li>• Refugee and/or new immigrants</li> <li>• Southeast Asian</li> <li>• Military veterans</li> <li>• None of the above</li> </ul> <p><b>You indicated that you have experience working with [auto-populate with selections from above]. Please indicate how many years of experience you have providing culturally competent care to this group(s).</b></p> <p><b>25 points:</b> Five or more years  <b>20 points:</b> Four years  <b>15 points:</b> Three years  <b>10 points:</b> Two years  <b>5 points:</b> One year  <b>0 points:</b> Less than one year</p>	<p align="center"><b>25 points max</b></p>
<p align="center"><b>Total Points</b></p>		<p align="center"><b>100 points max</b></p>

## Attachment B: Sample Grant Agreement

GRANT AGREEMENT BETWEEN THE  
DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION  
AND  
**[GRANTEE NAME], [DISCIPLINE/SPECIALTY]**  
GRANT AGREEMENT NUMBER **[GRANT AGREEMENT NUMBER]**

THIS GRANT AGREEMENT (“Agreement”) is entered into on **[Grant Start Date]** by and between the State of California, Department of Health Care Access and Information (hereinafter “HCAI”) and **[Provider Name]** (hereinafter “Grantee”)

WHEREAS, HCAI supports healthcare accessibility through the promotion of a diverse and competent workforce while providing analysis of California’s healthcare infrastructure and coordinating healthcare workforce issues.

WHEREAS, HCAI seeks to accomplish its mission by encouraging mental health professionals to provide healthcare in underserved communities throughout California through the Licensed Mental Health Services Provider Education Program (hereinafter “LMH”).

WHEREAS, LMH provides support to mental health professionals in the repayment of educational loans.

WHEREAS, Grantee is a qualified mental health professional who was selected by HCAI through duly adopted procedures to receive grant funds from LMH.

NOW THEREFORE, HCAI and the Grantee, for the consideration and under the conditions hereinafter set forth, agree as follows:

### A. Definitions:

1. “Abortion” (as defined by California Health and Safety code section 123464) means any medical treatment intended to induce the termination of a pregnancy except for the purpose of producing a live birth.
2. “Abortion-related services” includes induced abortions performed by a trained provider, under sanitary conditions, and using modern techniques (e.g., vacuum aspiration), or the use of high-quality medications with an effective regimen for medical abortion. Abortion-related service also includes miscarriage management, counseling and/or mental health services related to abortions, contraceptive services, links to other sexual and reproductive health services, and connections to the community, as defined under post-abortion care.”
3. “Approved Practice Site” and/or “Practice Site” is a facility that meets one of the following sets of criteria:
  - a. “Health Professional Shortage Area - Mental Health (HPSA-MH)” means an area designated as such by the U.S. Department of Health and Human Services, Health

Resources and Service Administration, Bureau of Health Professions' Shortage Designation Branch.

2. "A publicly funded facility," which means a health facility, as defined by Health and Safety Code Sections 1200, 1200.1, and 1250, conducted, maintained, or operated by this state or by any of its political subdivisions or districts, or by any city.
3. "A publicly funded or public mental health facility," which means a hospital, clinic, or long-term care facility licensed and/or certified by the California Department of Mental Health and/or the California Department of Health Services that is conducted, maintained, or operated by this state or by any of its political subdivisions or districts, or by any city, and that provides mental health services.
4. "A non-profit private mental health facility," which means a hospital, clinic, or long-term care facility licensed and/or certified by the California Department of Mental Health and/or the California Department of Health Services that is operated by a non-profit entity that contracts with a county mental health entity or facility to provide mental health services.
5. A facility that is a Children's Hospital, Correctional Facility, County-Operated Health Facility, Public School Facility, State-Operated Health Facility, Substance Use Facility, and/or Veteran's Facility.
4. "Deputy Director" means the Deputy Director of the Office of Health Workforce Development (OHWD) or their designee.
5. "Direct Client Care" means the provision of health care services provided directly to individuals being treated for or suspected of needing mental health services. Direct client care includes both, face-to-face and telehealth-based preventive care and first-line supervision. "First-line Supervision" means the direct supervision of staff who are providing direct client care.
6. "Full-Time Service" is defined as a minimum of 32 hours per week providing direct client care.
7. "Grant Agreement/Grant Number" means Grant Number [**Grant Agreement Number**], awarded to Grantee.
8. "Grantee" means an applicant who was selected by HCAI to receive grant funds.
9. "Grant Funds" means the funds provided by HCAI to Grantee per this Agreement and under LMH for loan repayment assistance.
10. "Program" means the **Licensed Mental Health Services Provider Education Program (LMH)**.
11. "Program Application" means the grant application electronically submitted by Grantee and approved by HCAI.
12. "Program Manager" means the HCAI manager responsible for the program.

13. “Progress Report” means a report completed by the grantee and signed by their employer, certifying the grantee is meeting their contractual obligation to provide a minimum of 32 hours of direct client care per week at an approved practice site. Progress reports are due every six (6) months.
14. “Program Representative” (hereinafter “Program Officer”) means the HCAI analyst that administers and oversees the loan repayment program and shall be the primary contact for the grantee during their service obligation.
15. “State” means the State of California and includes all its Departments, Agencies, Committees and Commissions.

## **B. Terms of the Agreement**

This Agreement shall take effect on **[Contract Start Date]** and shall terminate on **[Contract End Date]**.

## **C. Scope of Work**

Grantee agrees to the following Scope of Work. In the event of a conflict between the provisions of this section and the Grantee’s Program Application, the provisions of this Scope of Work Section shall prevail:

The Grantee shall:

1. For the period of **[Contract Start Date]** through **[Contract End Date]** to provide full-time service in direct client care, including practicing at least 24 months at an Approved Practice Site as a(n) **[Discipline]**.
  - a. Grantee may take up to eight (8) weeks during the Term of this Agreement from their approved practice site for any leave of absence approved by their worksite, except otherwise required in order to comply with applicable federal and state laws, without affecting their service obligation.
  - b. Should Grantee take more than eight (8) weeks as stated above and HCAI agrees to this, HCAI and Grantee agree to amend the term of this Agreement to extend the service obligation for each day of absence over the eight weeks.
2. Apply all Grant Funds received to the qualifying educational loan(s) provided by the lending institution(s) listed on the Program Application. Grantee must pay all received Grant Funds towards the qualifying educational loans during the term of this Agreement. Work performed, and payments made before the Grant Agreement start date, will not count towards the requirements for the Grant Agreement. Failure to adhere to this provision is a material breach of this Agreement and will result in penalties as described below.
3. Pay to the lending institution(s) listed in the approved Program Application any interest that accrues during the term of this Agreement.
4. Notify HCAI, in writing, of any and all, name, mailing address, phone number, and e-mail address changes within 30 days of the changes.

5. Grantee must notify HCAI within 30 days of any change in the place of employment. HCAI will verify if the new place of employment is an Approved Practice Site. It is highly recommended for Grantees to contact their Program Officer (identified under Section K. HCAI and Grantee Contact Information) to verify eligibility of a potential new employer before switching places of employment.
6. Submit to HCAI by required deadlines, as determined by HCAI, all requested information and documents during the duration of this Agreement **[Contract Start Date]** through **[Contract End Date]**. HCAI may request information to include, but not limited to, Employment Verification Form (EVF), and Progress Reports. The schedule for Progress Reports is as follows:
  - a. [Deliverable Name/Title] [Payment Suffix] will be available on [Service Period (End Date)], and due [Deliverable Due Date]
  - b. [Deliverable Name/Title] [Payment Suffix] will be available on [Service Period (End Date)], and due [Deliverable Due Date]
  - c. [Deliverable Name/Title] [Payment Suffix] will be available on [Service Period (End Date)], and due [Deliverable Due Date]
  - d. [Deliverable Name/Title] [Payment Suffix] will be available on [Service Period (End Date)], and due [Deliverable Due Date]

***\*Availability dates are approximate.***

8. Grantee must not have agreed to a contract with another entity to practice professionally for a period during the term of this Agreement in exchange for financial assistance, including tuition reimbursement, scholarships, loans, or a loan repayment. Grantee shall be ineligible to receive a loan repayment under this Agreement until the conflicting obligation to this other entity has been fulfilled. The “Public Service Loan Forgiveness (PSLF) Program” is not considered a service obligation.

#### **D. Payment Provisions and Reporting Requirements**

1. HCAI shall make **two Annual** payments of Grant Funds within the Service Term, from **[Contract Start Date]** to **[Contract End Date]**, payable directly to the Grantee. HCAI reserves the right to change payment provisions within the Agreement term, if needed.
2. Payments will be made in accordance with, and within the time specified in, Government Code, Title 1, Division 3.6, Part 3, Chapter 4.5, commencing with Section 927.
3. Service obligations will be monitored via the regular submission of progress reports by the Grantee on a bi-annual basis. HCAI reserves the right to increase or decrease the number of progress reports required to be submitted within the Agreement term, if needed. Nothing in this Agreement relieves the Grantee of the primary responsibility to repay the educational debts listed in the approved program application. Grantee shall be issued payment pursuant to HCAI receiving completed progress reports. Grantee will receive an automated email from no-reply@hcai.ca.gov when their progress report is

available to download and submit in the Funding e-App portal. Progress reports will be available to download approximately one month prior to the due date.

4. The total obligation of HCAI under this Agreement shall not exceed **[\$[Award Amount]** to the Grantee and shall be payable as follows:
  - a. **[\$[Payment #1]** after Grantee has completed one year of service obligation in compliance with this Agreement, which is **[Deliverable Due Date #2]**.
  - b. **[\$[Payment #2]** after Grantee has completed two years of service obligation in compliance with this Agreement, which is **[Deliverable Due Date #4]**
5. Payments shall be made and is conditioned upon HCAI's receipt of documentation of the Grantee's provision of the service obligation, and other documents as required by HCAI. Payment shall be made within 45 calendar days of receipt by HCAI of all required documentation. Payments under this Agreement are not issued with regard to any loan payment due date and may be made at any time within the terms of this Agreement.

#### **E. Award May be Exempt from Federal Income Taxes**

HCAI does not provide tax advice and this section may not be construed as tax advice from HCAI. Grantee should seek advice from an independent tax consultant regarding the financial implication(s) of any funds received from HCAI. HCAI does not withhold taxes from payments to Grantees. HCAI will not issue an IRS 1099 form for this agreement.

Payments made under certain State Loan Repayment Programs may be exempt from federal taxes under 26 U.S.C. § 108(f)(4):

“In the case of an individual, gross income shall not include any amount received under section 338B(g) of the Public Health Service Act, under a State program described in section 338I of such Act (enacted by Pub L. 108-357, § 320(a) in 2004), or under any other State loan repayment or loan forgiveness program that is intended to provide for the increased availability of healthcare services in underserved or health professional shortage areas (as determined by such State).”

#### **F. Budget Contingency Clause**

1. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be void. In this event, HCAI shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Agreement and Grantee shall not be obligated to perform any provisions of this Agreement.
2. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of the Program, HCAI shall have the option to either cancel this Agreement with no liability occurring to HCAI or offer an Agreement amendment to Grantee to reflect the reduced amount.

### G. Breach

HCAI reserves the right to recover the following amounts for Grantee’s failure to perform the obligations set forth in this Agreement:

1. For failure to start or complete Grantee’s service obligation, HCAI shall recover all of the following:
  - a. The total amounts paid by HCAI to, or on behalf of, the Grantee for loan repayments for any period of obligated service not served; and
  - b. An amount equal to the number of months of obligated service not completed by the Grantee multiplied by \$1,500.00.
2. Any amount HCAI is entitled to recover from the Grantee for breach of this Agreement shall be paid within one year of the date HCAI determines that the Grantee is in breach of this Agreement.
3. Per Government Code 16580-16586, HCAI has statutory authority to collect on any outstanding debts. HCAI may attempt to collect from the Franchise Tax Board or any Medi-Cal offsets. HCAI may contact the Employment Development Department, the Board of Equalization and/or a collection agency in an effort to obtain repayment of the funds owed.
4. Grantee will be ineligible to apply for any HCAI Programs in the future if they materially breach their contract unless Grantee obtains relief under Section H.

***By signing below, the Grantee has reviewed and acknowledged the terms under Section G: Breach.***

\_\_\_\_\_

[Grantee’s Full Name]

\_\_\_\_\_

Date

### H. Provisions for Suspension, Waiver, Cancellation or Voluntary Termination of Service

1. Any service or payment obligation incurred by the Grantee will be canceled upon the Grantee’s death.
2. HCAI may waive or suspend the Grantee’s Service Obligation or payment obligation incurred under this Agreement if the Grantee is permanently incapacitated by illness or injury, which prevents Grantee from practicing his/her profession, or prevents Grantee from obtaining any other gainful employment. HCAI reserves the right to request medical or disability documentation as deemed necessary in order to complete the waiver or suspension request. Grantee must submit a written request to HCAI for waiver of suspension of Grantee’s service obligations. A suspension of Grantee’s obligation may be granted up to one year if Grantee’s compliance is temporarily impossible or an extreme hardship. Additional time taken will extend the Service Term end date. (Note: A waiver permanently relieves the Grantee of all or part of the Service Obligation,

however, waivers are not routinely granted and required a showing of compelling circumstances).

3. HCAI may provide for the partial or total waiver or suspension of any obligations of service or payment by Grantee whenever compliance by the individual is impossible or would involve extreme hardship to the individual and if enforcement of such obligation with respect to any individual would be unconscionable.
4. Leave of absence for medical or personal reasons may be granted up to six months if the Grantee provides independent medical documentation of physical or mental health disability or personal circumstances, including terminal illness of an immediate family member, which results in the Grantee's temporary inability to perform their service obligation. Grantee must submit a written request to HCAI which must be approved at least 30 calendar days prior beginning any leave of absence. Periods of approved leave of absence of service will revise the Service Term end date after a Grant Agreement amendment.
5. If the Grantee plans to be away from his/her approved practice site(s) for paternity/maternity/adoption leave, the Grantee is required to inform HCAI at least 60 calendar days before taking the leave. HCAI allows Grantees to be away from their approved practice site(s) within the timeframes established by either the Family Medical Leave Act (up to 12 weeks), or other federal and state law; however, the Grantee must adhere to the leave policies of his/her approved practice site.
6. Call to Active Duty in the Armed Forces, leave of absence, or suspension of service may be granted to Grantees who are military reservists and are called to active duty; Grantees may be granted from six months to one year, beginning on the activation date described in the reservist's call to active duty order. In addition to the written request for suspension, a copy of the Order to active duty must be submitted to HCAI. The period of active duty will not be credited toward the service obligation. Periods of approved leave of absence of service will extend the Grantee's Agreement end date.
7. HCAI shall terminate the Agreement, no later than 45 days before the end of the state fiscal year in which the Agreement was entered into, if the Grantee:
  - a. Submits a written request for such termination; and
  - b. Repays all amounts paid to Grantee pursuant to this Agreement. Any repayments for a year of obligated service shall be made no later than the end of the fiscal year in which the Grantee completes such year of service.

#### **I. Change of Practice Location**

1. Grantee may request that HCAI permit him or her to change the practice location from one approved practice site to another. The request must be in writing and must be received and approved by HCAI, a minimum of 30 calendar days prior to the desired change. If the proposed transfer practice site is disapproved and the Grantee refuses assignment to another approved practice site, the Grantee may be placed in breach.

2. Grantees that voluntarily resign from their approved practice site(s) without prior approval from HCAI or are terminated by their approved practice site(s) for cause may be placed in breach. Grantee must notify HCAI in writing of immediate termination.
3. If Grantee becomes unemployed or is informed by his/her practice site of a termination date, Grantee must notify HCAI immediately in writing. The Agreement may be extended for the length of time the Grantee is without a practice site, so long as the period without a practice site does not exceed six months and so long as the employment is not a result of termination for cause. If additional time is needed, and the period without a practice site is not a result of termination for cause, Grantee may notify HCAI in writing, requesting additional time. HCAI will inform the Grantee of their decision in writing.

#### **J. Executive Order N-6-22 – Russia Sanctions**

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-2-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

#### **K. General Terms and Conditions**

1. **Timeliness:** Time is of the essence in this Agreement. Grantee will submit required deliverables as specified and adhere to the deadlines as specified in this Agreement. Anticipating potential overlaps, conflicts, and scheduling issues, to adhere to the terms of the Agreement, is the sole responsibility of the Grantee.
2. **Final Agreement:** This Agreement, along with the Grantee’s Application, exhibits and forms constitutes the entire and final agreement between the parties and supersedes any and all prior oral or written agreements or discussions. In the event of a conflict between the provisions of this Agreement and the Grantee’s application, exhibits, and forms, the provisions of this Agreement shall prevail.
3. **Cumulative Remedies:** A failure to exercise or a delay in exercising, on the part of HCAI, any right, remedy, power or privilege hereunder shall not operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers, and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers, and privileges provided by law.
4. **Ownership and Public Records Act:** All reports and the supporting documentation and data collected during the funding period which are embodied in those reports, shall

become the property of the State and subject to the California Public Records Act (Gov. Code §§ 6250 et seq.).

5. Independence from the State: The Grantee, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
6. Waiver: The waiver by HCAI of a breach of any provision of this Agreement by the Grantee will not operate or be construed as a waiver of any other breach. HCAI expressly reserves the right to disqualify Grantee from any future grant awards for failure to comply with the terms of this Agreement.
7. Approval: This Agreement is of no force or effect until signed by both parties. The Grantee may not commence performance until such approval has been obtained.
8. Amendment: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or arrangement not incorporated in the Agreement is binding on any of the parties.
9. Assignment: This Agreement is not assignable by the Grantee, either in whole or in part, without the consent of HCAI in the form of a formal written amendment.
10. Indemnification: Grantee agrees to indemnify, defend and save harmless the State, its officers, agents, and employees from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by Grantee in the performance of this Agreement.
11. Disputes: Grantee shall continue with the responsibilities under this Agreement during any dispute. Any dispute arising under this Agreement, shall be resolved as follows:
  - a. Grantee will discuss the problem informally with the HCAI Program Manager. If unresolved, the problem shall be presented, in writing, to the Deputy Director, stating the issues in dispute, the basis for Grantee's position, and the remedy sought. Grantee shall include copies of any documentary evidence and describe any other evidence that supports their position with their submission to the Deputy Director.
  - b. Within ten working days after receipt of the written grievance from the Grantee, the Deputy Director or their designee shall make a determination and respond in writing to the Grantee indicating the decision and reasons for it.
  - c. Within ten working days of receipt of the Deputy Director's decision, Grantee may appeal to the HCAI Chief Deputy Director stating why the Grantee does not agree with the Deputy Director's Decision. The Chief Deputy Director or designee (who shall not be the Deputy Director or their Designee) shall meet with Grantee within 20 working days of receipt of Grantee's appeal. During this meeting, Grantee and HCAI may present evidence in support of their positions.
  - d. Within ten working days after meeting with Grantee, the HCAI Chief Deputy Director or their designee shall respond in writing to the Grantee with their decision. The Chief Deputy Director's decision will be final.

12. Termination for Cause: In addition to the Breach provisions above, HCAI may terminate this Agreement and be relieved of any payments should Grantee fail to perform the requirements of this Agreement at the time and in the manner herein provided. Grantee shall return any unused Agreement Funds that were previously provided to Grantee as of the date of termination.
13. Governing Law: This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
14. Unenforceable Provision: If any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

SAMPLE

**L. HCAI and Grantee Contract Information**

The representatives of HCAI and the contact information for each party during the term of this agreement are listed below. Direct all inquiries to:

State Agency: Department of Health Care Access and Information	HCAI Program Awarded Under: <b>[Name of Program]</b>
Section/Unit: Office of Health Workforce Development	Grantee's First Name, Last Name: <b>[Grantee's Full Name]</b>
Program Officer Name: <b>[Program Officer Full Name]</b>	Address: <b>[Address 1]</b>
Address: 2020 West El Camino Avenue, Suite 1222 Sacramento, CA 95833	Phone Number 1: <b>[Phone 1]</b>
Phone: <b>[Program Officer Main Phone]</b>	Phone Number 2: <b>[Phone 2]</b>
Email: <b>[Program Officer Primary Email]</b>	Email: <b>[Email Address]</b>

**M. Parties' Acknowledgement:**

*By signing below, the Department of Health Care Access and Information (HCAI) and Grantee acknowledge that this Agreement accurately reflects the understanding of HCAI and Grantee with respect to the rights and obligations under this Agreement.*

\_\_\_\_\_

**[Grantee's Full Name]**

\_\_\_\_\_

**Date**

*For the Department of Health Care Access and Information:*

\_\_\_\_\_

\_\_\_\_\_

**Date**