



Medi-Cal Behavioral Health Scholarship Program

**Grant Guide
For Grant Year 2026**

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Purpose

This guide explains what the Medi-Cal Behavioral Health Scholarship Program (MBH-SP) is and what you need to do to apply. It includes step-by-step instructions for applicants and important rules that grantees must follow to complete their service obligation. Everyone who applies must agree to and meet the program's requirements before they are awarded any funding. The Department of Health Care Access and Information (HCAI) does not allow exceptions to the terms listed in this guide.

Background and Mission

HCAI created the MBH-SP to support scholarships for individuals pursuing careers in behavioral health.

In December 2024, the Centers for Medicare & Medicaid Services (CMS) approved the Department of Health Care Services' (DHCS) Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Medicaid Section 1115 demonstration project authorizing up to \$1.9 billion in funding across five distinct workforce programs over a five-year period. The MBH-SP is part of the BH-CONNECT Workforce Initiative. The BH-CONNECT Workforce Initiative allows California to use federal matching funds to support efforts that increase the number of behavioral health professionals helping Medi-Cal members and people without insurance.

Award Funding

Up to **\$96,900,000** is available for award to individuals seeking to become eligible behavioral health professionals practicing in eligible settings.

Eligibility Requirements

In exchange for a full-time service obligation to serve in a Medi-Cal safety net setting, individuals seeking to become eligible behavioral health professionals may receive up to **\$240,000** towards their education, subject to the terms of this guide. Each MBH-SP grantee is required to meet program requirements for the duration of the MBH-SP as listed below. Grantees who fail to comply with these requirements may be disqualified from the program, terminated from the program, or held in breach of their grant agreement.

To be eligible for an MBH-SP award, each grantee must comply with the following:

- a) Be enrolled in an eligible education program, no later than September 30, 2026, that leads to licensure or certification as an eligible provider type listed in the "Eligible Behavioral Health Professions" section.
- b) Maintain active registration, licensure, or certification in an eligible profession for the duration of grantee's full-time service requirement.

- c) Must not be in breach of any service obligation.
- d) Must not have an existing HCAI service obligation or a service obligation with any other entity that extends beyond August 1, 2026. Note: This requirement does not apply to individuals who previously received an award under HCAI's Behavioral Health Scholarship Program or Wellness Coach Scholarship Program.
- e) Upon gaining eligible employment, submit Employment Verification Forms (EVFs) every six months, using the Funding Portal, demonstrating compliance with program requirements and grant agreement.
- f) Upon achieving active registration, licensure, or certification in an eligible profession, submit verification of registration, licensure, or certification to HCAI.
- g) Submit a completed and signed Scholarship Program Verification (SPV) form from the currently enrolled institution by the required deadline. Grantees will also be required to submit updated SPV forms annually for the duration of their education program.
- h) Submit a Free Application for Federal Student Aid (FAFSA) and Cal Grant application and provide the resulting financial aid award letter. Updated financial aid award information will be required for the duration of the education program.
- i) Be ready and willing to serve a full-time service obligation providing direct care in a Medi-Cal safety net setting as defined in "Eligible Practice Sites" below.
- j) Maintain 32 hours or more per week of direct client care at an eligible approved practice site, or 30 hours or more per week of direct care at an approved practice site that is in a school setting, during the entirety of the full-time service requirement.
- k) Complete and submit an application using the Funding Portal by 3:00 p.m. on March 16, 2026.

Eligible Behavioral Health Professions

Applicants who are pursuing education to become one of the eligible professions below can receive awards through the MBH-SP.

• AOD (Alcohol and Other Drug) Counselor	• Licensed Professional Clinical Counselor
• Certified Peer Support Specialist	• Licensed Psychiatric Technician
• Certified Wellness Coach	• Licensed Vocational Nurse
• Community Health Worker (Promotor/Representative)	• Nurse Practitioner
• Licensed Clinical Psychologist	• Occupational Therapist
• Licensed Clinical Social Worker	• Physician Assistant
• Licensed Marriage and Family Therapist	• Registered Nurse

Eligible Practice Sites

Upon completion of their eligible education program, a grantee must provide direct client care at a California site that meets one of the definitions below of a Medi-Cal safety net setting:

1. Federally Qualified Health Centers (FQHC)
2. Community Mental Health Centers (CMHC) as defined and certified by the [California Department of Public Health](#)
3. Rural Health Clinics (RHC)
4. Settings with the following payer mix:
 - a. Hospitals with 40 percent or higher Medicaid and/or uninsured population
 - b. Rural hospitals with 30 percent or higher Medicaid and/or uninsured
 - c. Other behavioral health settings with 40 percent or higher Medicaid and/or uninsured population

Hospitals include Acute Psychiatric Hospitals, General Acute Care Hospitals with Psychiatric Units, and Chemical Dependency Recovery Hospitals licensed by the California Department of Public Health.

Other behavioral health settings with 40 percent or higher Medicaid and/or uninsured population include organizations that are enrolled in Medi-Cal and deliver Medi-Cal-covered behavioral health services, including:

<ul style="list-style-type: none"> • <u>Community Treatment Facilities</u> – Must be licensed by the California Department of Social Services and hold a DHCS mental health program approval 	<ul style="list-style-type: none"> • <u>Crisis Stabilization Unit</u> (CSU)¹
<ul style="list-style-type: none"> • Independent licensed practitioners contracted with a behavioral health plan or managed care plan for specialty or non-specialty behavioral health services 	<ul style="list-style-type: none"> • <u>Indian Health Care providers</u>²
<ul style="list-style-type: none"> • <u>Mental Health Rehabilitation Center</u> (MHRC) as licensed by DHCS 	<ul style="list-style-type: none"> • <u>Narcotic Treatment Programs</u> (NTP) as licensed by DHCS
<ul style="list-style-type: none"> • Outpatient behavioral health clinics (other than certified outpatient Substance Use Disorder facility)² 	<ul style="list-style-type: none"> • Primary care or other clinic settings with co-located behavioral health services²
<ul style="list-style-type: none"> • <u>Psychiatric Health Facilities</u> (PHF) as licensed by DHCS 	<ul style="list-style-type: none"> • Qualifying provider organizations that deliver primarily field-based or telehealth Medi-Cal behavioral health services (see below for telehealth requirements)²
<ul style="list-style-type: none"> • School-based behavioral health setting² 	<ul style="list-style-type: none"> • <u>Short-Term Residential Therapeutic Programs/Children's Crisis Residential Programs</u> - Must be licensed by the California Department of Social Services and hold a DHCS mental health program approval
<ul style="list-style-type: none"> • <u>Skilled Nursing Facilities with a Special Treatment Program for mental health</u> – Must be licensed by the California Department of Public Health and hold a DHCS mental health program approval 	<ul style="list-style-type: none"> • <u>Social Rehabilitation Facilities/Programs</u> - Must be licensed by the California Department of Social Services and hold a DHCS mental health program approval
<ul style="list-style-type: none"> • <u>Substance Use Disorder Treatment Facilities</u> (residential; licensed by DHCS) 	<ul style="list-style-type: none"> • <u>Substance Use Disorder Treatment Programs</u> (outpatient; certified by DHCS)
<ul style="list-style-type: none"> • <u>Psychiatric Residential Treatment Facilities</u> (licensed by DHCS) 	

¹ Crisis Stabilization Units provide Medi-Cal Crisis Stabilization services, as defined in [Supplement 3 to Attachment 3.1-A](#) of California's Medicaid State plan. Medi-Cal Crisis Stabilization services must be delivered at a provider site certified by the State Department of Health Care Services or a county mental health plan.

² Not all Indian health care providers, primary care sites, school-based sites, or outpatient clinics will automatically qualify as behavioral health sites. Additional verification will be required to confirm that the site is actively providing behavioral health services.

Additionally, if a grantee is providing services via telehealth, grantee must also meet the requirements of [Behavioral Health Information Notice 23-018](#). In general, grantees are required to be physically present in California and be rendering services to someone located in California. Providers who are out of state must be licensed in California, enrolled as a Medi-Cal rendering provider, and affiliated with a Medi-Cal enrolled provider group in California or a border community.

Eligible Education Costs

Applicants must demonstrate that they have eligible education costs for this program. Eligible costs are defined as:

- a) Program tuition and required program fees for course curriculums necessary to achieve the professional titles listed in the “Eligible Behavioral Health Professions” section.
- b) Textbooks and supplies as required by the educational program curriculum.

Maximum Award by Profession

Maximum Award	Eligible Professions
\$240,000	<ul style="list-style-type: none">• Nurse Practitioner• Physician Assistant
\$180,000	<ul style="list-style-type: none">• Licensed Clinical Social Worker• Licensed Marriage and Family Therapist• Licensed Professional Clinical Counselor• Licensed Clinical Psychologist• Licensed Psychiatric Technician• Licensed Vocational Nurse• Occupational Therapist• Registered Nurse
\$120,000	<ul style="list-style-type: none">• AOD (Alcohol and Other Drugs) Counselor• Certified Peer Support Specialist• Certified Wellness Coach• Community Health Worker (Promotor/Representative)

Distribution of Awards

Awards will be made directly to the grantee’s educational institution. Grantees will not receive payment themselves.

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.

Tax Information

HCAI does not give tax advice. Grantees should talk to a tax advisor for assistance in determining whether funds from this program will qualify as taxable or reportable income.

Service Obligation

Upon completion of their education program, grantees must provide full-time service, as defined in Attachment B of this guide, while delivering direct client care as identified below. This full-time service must begin before December 31, 2029, or six months after program completion, whichever is sooner. All service commitments must be completed by December 31, 2033.

Those in the following professions will provide full-time service for a four-year period:

- Licensed Clinical Social Worker
- Licensed Marriage and Family Therapist
- Licensed Professional Clinical Counselor
- Licensed Clinical Psychologist
- Licensed Vocational Nurse
- Nurse Practitioner
- Physician Assistant
- Occupational Therapist
- Psychiatric Technician
- Registered Nurse

For grantees in the following professions, the length of the grantee's full-time service requirement is determined by the amount awarded:

- AOD (Alcohol and Other Drugs) Counselor
- Certified Peer Support Specialist
- Certified Wellness Coach
- Community Health Worker (Promotor/Representative)

The table below will be used to calculate the length of full-time service required for these professions:

Award Amount	Length of Service Obligation
More than \$19,999	4 years
\$10,000 to \$19,999	3 years
Less than \$10,000	2 years

For purposes of the service obligation, the following definitions are used:

- Full-Time Service: Defined as a minimum of 32 hours per week providing direct client care at an approved practice site or 30 hours per week providing direct client care at an approved practice site that is in a school setting.
- Direct Client Care: This includes behavioral health services such as prevention, early intervention, assessment, treatment, counseling, procedures, patient self-care, patient education, and documentation relating to patient encounters being treated by or suspected of needing behavioral health services. Direct client care includes face-to-face care, telehealth-based care, and first-line supervision.
- First-line Supervision: The supervising staff who provide direct supervision over the staff who provide direct client care.

Program Monitoring

HCAI requires grantees to begin full-time service within six months of the completion of their education program. A grantee's inability to begin full-time service may result in an administrative breach. Work performed before the start of the agreement term will not count towards the service obligation requirements in the grant agreement.

Grantee Communication Requirements

Grantee must email their Program Officer within the specified timeframes for any of the following reasons:

15 calendar days if you:

- Have any change in full-time status during your service obligation. This includes:
 - a. Decreasing hours below 32 per week or 30 per week in a school setting.
 - b. Termination
 - c. Resignation
 - d. Taking a leave of absence beyond the time allowed under "Practice Site Absences."
- Have any change in your training/education program status

30 calendar days if you:

- Have a change in practice site. Email the Program to check eligibility. If eligible, the Program will send you an EVF through the Funding Portal. Your supervisor at the new site must complete this form. After signing, email the completed EVF to the Program for review.
- Change your name, mailing address, phone number, or email address. You must also update your User Profile on the Funding Portal to reflect this change.

Practice Site Absences

Grantees may have up to four weeks per year away from their MBH-SP approved practice site for any reason. Absences longer than this will be considered under the service obligation waiver and suspension policy included in a grantee's grant agreement. In cases of suspension, HCAI will extend the length of grantee's full-time service requirement for each day of absence over the allowable four weeks per year. This does not apply to school vacations if the grantee is practicing at a school site.

HCAI cannot extend the grant term end-date beyond December 31, 2033. Grantees who are unable to complete their service obligation by this date may be held in breach.

Grant Agreement Deliverables

MBH-SP Grantees must submit to HCAI a valid SPV Form and financial aid award letter annually during their education program, or within 30 days of a request made by HCAI.

Grantees will be required to submit to HCAI a Graduation Date Verification (GDV) form within 15 days of completing the program for which they were awarded funds.

Grantees are also required to submit an EVF through the Funding Portal as required during their full-time service obligation and within 30 days of a request from HCAI.

The first EVF will be due within 15 days of beginning eligible employment following the completion of the education program. Subsequent reports will be due July 31 and January 31 of each year until completion of the service obligation.

Initiating an Application

The MBH-SP applicant is responsible for providing all necessary information required in the application 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 Funding Portal (<https://fundingportal.hcai.ca.gov/>).

New applicants must register as a Funding Portal user to access the application materials. Returning applicants are required to log in using their previous email and password. Applicants can save their progress and complete their application in multiple sessions.

You may apply for more than one HCAI loan repayment or scholarship program at a time. However, if awarded, you may only accept one, as you can only have one service obligation at a time.

Evaluation and Scoring Procedures

HCAI has established an impartial process for scoring and evaluating applications. Each application is reviewed by HCAI staff to assess their eligibility per the established program criteria as outlined in Attachment A: Evaluation and Scoring Criteria. Applying does not guarantee you will be awarded.

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 submission requirements.
2. HCAI may reject applications that contain false, inaccurate, 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.
4. If applicable, HCAI intends for these funds to support a geographic and setting/market type distribution in California. Applicants seeking to support geographic regions and setting/market types not addressed by other applications may receive preference. HCAI may also preference applicants that provide Medi-Cal specialty behavioral health services (specialty behavioral health includes mental health and substance use disorder services provided as Specialty Mental Health, Drug Medi-Cal, or Drug Medi-Cal Organized delivery system benefits).

Award Process

HCAI will notify selected applicants after finalizing award decisions. The processing time for applications and award decisions will depend on the number of applications received. Once the grant agreement is issued, the awardee has seven business days to electronically sign and accept or decline it. If not signed within this period, HCAI may consider the agreement declined.

NOTE: Please make sure to check your “Junk/Spam” folders for the link to the grant agreement.

Contract Termination

Grantee may terminate their grant agreement without penalty at any time prior to the payment being processed. To request termination of the grant agreement, grantee must submit a written request via email with their reason for termination of the grant agreement. HCAI will close out the grant agreement effective immediately. No penalties will be due to HCAI, and grantee will be allowed to apply again in the future.

Grantee may not terminate their grant agreement after payment has been issued.

NOTE: Once the contract is administratively closed, this action cannot be reversed.

Breach Policy

Breach policy may be implemented only after an awardee signs the grant agreement and after at least one payment is made to their education provider. HCAI reserves the right to recover funds for a grantee's failure to fulfil the obligations set forth in the grant agreement. Refer to Attachment B: Sample Grant Agreement – Section G: Breach, for detailed information.

Key Dates

The key dates for the program year are as follows:

Event	Date	Time
Application Available	February 2, 2026	3:00 p.m.
Application Submission Deadline	March 16, 2026	3:00 p.m.
Anticipated Award Notice	June 2026	N/A
Proposed Grant Agreement Start Date	August 2026	N/A

Resources

HCAI is committed to supporting applicants and grantees throughout the application and monitoring process of their service period. To achieve this goal, additional resource documentation has been provided below.

All the below resources can be found on [HCAI's website](#):

1. Grant Guide: Outlines the requirements, rules, and timeframes between HCAI and Grantees.
2. Technical Assistance Guide: Assists applicants and Grantees with navigating the Funding Portal and submitting required deliverables.
3. Webinar: A formal presentation provided by HCAI staff to provide information to prospective applicants.

Pre-Award and Post-Award Surveys

If awarded, you will be asked to complete brief surveys that help HCAI evaluate program impact and advocate for continued funding. A pre-award survey will be required before your grant agreement is executed to establish baseline information, such as demographics, educational debt, financial strain, and education or employment details.

You may also receive periodic follow-up surveys during school, throughout your service commitment, and for up to five years afterward. Your participation ensures we can demonstrate the program's effectiveness and continue supporting future grantees.

Contact Us

Please review all guides. You can find answers to most questions in this grant guide. There is also a separate Technical Assistance Guide available on the HCAI website. Further questions can be emailed to HCAI staff at MBHSP@hcai.ca.gov. Please allow up to five business days for a response.

Attachment A: Evaluation and Scoring Criteria

EVALUATION AND SCORING CRITERIA		
Core Categories	Guideline	Max Points Possible
Languages Spoken	<p>Speaks any of the listed languages fluently/well enough to be able to provide direct care services to clients without additional translation services.</p> <ul style="list-style-type: none"> • 10 points for each listed state-level Medi-Cal threshold language spoken, other than English, according to the Department of Health Care Services' list(s). • 10 points for each Indigenous and/or Tribal language and/or Sign language (up to 10 points). • 0 points: Does not speak any of the listed languages. <p>Total combined points cannot exceed 10; therefore, even if the applicant speaks two state-level Medi-Cal threshold languages, they will not receive 20 points and will only receive a maximum of 10 points.</p>	10
Publicly Funded Grants/Programs	<p>Have you received/participated in any of the following:</p> <p>15 points: Yes 0 Points: No</p> <ul style="list-style-type: none"> • The Health Resources and Services Administration's (HRSA) Scholarship for Disadvantaged Students • Federal Supplemental Educational Opportunity Grant (FSEOG) • Pell Grants • Perkins Loan • Work Study Program • California College Promise Grant from a California Community College • Food Stamp Program (e.g., CalFresh, SNAP, EBT) 	15
Medi-Cal Safety Net Setting	<p>How many years of experience do you have working, training, or volunteering in a Medi-Cal safety net setting?</p> <ul style="list-style-type: none"> • 10 points: 5 years or more • 8 points: 4 years • 6 points: 3 years 	10

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	<ul style="list-style-type: none"> • 4 points: 2 years • 2 points: 1 year • 0 points: less than 1 year 	
Other Scholarship Program Recipients	<p>Are you a former recipient of HCAI's Behavioral Health Scholarship Program or Wellness Coach Scholarship Program who has not yet finished your degree?</p> <ul style="list-style-type: none"> • 3 points: Yes • 0 points: No 	3
Education Institution Type	<p>Will you utilize this scholarship at a public university/college or a private university/college?</p> <ul style="list-style-type: none"> • 3 points: Public university • 0 points: Private university 	3
Degree	<p>Which degree are you pursuing? (See dropdown list below) *</p> <ul style="list-style-type: none"> • 20 points: Applicant is pursuing a graduate degree • 0 points: Applicant is not pursuing a graduate degree 	20
Total Points Possible		61

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 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 [Grantee 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 behavioral health professionals to provide services in a Medi-Cal safety-net settings throughout California through the Medi-Cal Behavioral Health Scholarship Program (hereinafter “MBH-SP” or “Program”).

WHEREAS, the MBH-SP provides support to future behavioral health professionals by providing education cost support.

WHEREAS, Grantee is a qualified behavioral health professional who was selected by HCAI through duly adopted procedures to receive grant funds from MBH-SP.

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

A. Definitions:

1. “Approved Practice Site” and/or “Practice Site” is a facility that meets the criteria for one of the following practice locations:
 - a. Federally Qualified Health Centers (FQHC)
 - b. Community Mental Health Centers (CMHC) as defined by the California Public Health Department
 - c. Rural Health Clinics (RHC)
 - d. Hospitals with 40 percent or higher Medicaid and/or uninsured population
 - e. Rural hospitals with 30 percent or higher Medicaid and/or uninsured
 - f. Other behavioral health settings with 40 percent or higher Medicaid and/or uninsured population.

2. “Deputy Director” means the Deputy Director of Health Workforce Development or their designee.
3. “Direct Client Care” means prevention, early intervention, assessment, treatment, counseling, procedures, self-care, patient education, and documentation relating to patient encounters being treated for or suspected of needing behavioral health services. Direct client care includes both face-to-face and telehealth-based preventative care and first-line supervision.
4. “Full-Time Service” Defined as a minimum of 32 hours per week providing Direct Client Care at an Approved Practice Site or 30 hours per week providing Direct Client Care at an Approved Practice Site that is in a school setting.
5. “Grantee” or “Grantees” means the applicant who was selected by HCAI as an awardee for MBH-SP and who has signed this Grant Agreement.
6. “Grant Agreement/Grant Number” means Grant Number **[Grant Number]**, awarded to Grantee.
7. “Grant Funds” means the funds provided by HCAI to the education provider of the Grantee per this Agreement and under MBH-SP.
8. “Grant Guide” means the Medi-Cal Behavioral Health Scholarship Program Grant Guide for Grant Year 2026.
9. “Program” means the MBH-SP.
10. “Program Application” means the grant application electronically submitted by Grantee and approved by HCAI for funding under this Grant Agreement.
11. “Program Officer” means the HCAI employee or other person designated by HCAI that administers and oversees the program and shall be the primary contact for the Grantee during their Service Obligation.
12. “Service Obligation” means, collectively and individually, the obligations of Grantee to perform under this Grant Agreement, including but not limited to the obligations of Grantee identified in Section C. Scope of Work of this Grant Agreement.
13. “State” means the State of California and includes all its Departments, Agencies, Committees and Commissions.

B. Term of the Agreement

This Grant Agreement shall take effect on **[Grant Start Date]** and shall terminate upon Grantee's completion of the Service Obligation ("Agreement Term").

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. Begin their education program by September 30, 2026.
2. Complete the education program as listed in the Grantee's original application by June 30, 2029, and submit a Graduation Date Verification (GDV) form within 15 days.
3. Achieve registration, licensure, or certification as the provider type listed in the Grantee's original application and maintain this certification throughout the agreement term.
4. Begin their Full-Time Service by December 31, 2029, or within six months of program completion, whichever is sooner.
5. Complete **[two/three/four]** years of Full-Time Service in an Approved Practice Site before December 31, 2033.
 - a. Grantee may have up to four weeks a year away from their MBH-SP Approved Practice Site for vacation, holidays, continuing professional education, illness, or any other reason as approved by their site. This provision shall not apply to school vacations during which Grantee is practicing at an Approved Practice Site that is in a school setting.
 - b. Should Grantee take more than four weeks a year as stated above and HCAI agrees to this, HCAI and Grantee agree that the length of Grantee's required Full-Time Service under this Grant Agreement will be extended for each day of absence over the four weeks per year, providing that the Service Obligation period does not extend beyond December 31, 2033.
6. Notify HCAI within 15 calendar days of any change in full-time status during the Full-Time Service, including any reduction in direct client care hours below the required minimum, termination, resignation, or a leave of absence that exceeds the time permitted under Practice Site Absences.

7. Notify HCAI, in writing, of any and all name, mailing address, phone number, and email address changes within 30 calendar days of any such change.
8. Notify HCAI within 30 calendar days of any change in Grantee's place of employment. HCAI will verify if the new place of employment is an Approved Practice Site and will notify Grantee in writing of its decision. It is highly recommended that Grantee contact their Program Officer (identified under Section L. HCAI and Grantee Contact Information of this Grant Agreement) to verify eligibility of a potential new employer before switching places of employment.
9. Submit to HCAI, by required deadlines as determined by HCAI, all requested information and documents during the duration of this Grant Agreement. HCAI may request information, including the Scholarship Verification Form, Free Application for Federal Student Aid (FAFSA) financial award letter, GDV form, and Employment Verification Form.
10. Not have agreed to a contract with another entity to practice professionally for a period during the Agreement Term in exchange for financial assistance, including tuition reimbursement, scholarships, loans, or loan repayment. This paragraph shall not apply to Grantee's participation in the Public Service Loan Forgiveness (PSLF) Program from the United States Department of Education.
11. Acknowledge that HCAI or HCAI's designee may contact Grantee for Program evaluation purposes via periodic surveys during the immediate five (5) years after the Agreement Term concludes.

D. Payment Provisions and Reporting Requirements

1. HCAI may designate a third-party administrator to be responsible for issuing of payments and monitoring under this Agreement.
2. HCAI or HCAI's designee shall make payment of Grant Funds within the Agreement Term payable to the Grantee's education provider. HCAI reserves the right to change payment provisions within the Agreement term, if needed.
3. 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.
4. Grantee's Full-Time Service will be monitored via the regular submission of Employer Verification Forms (EVFs) by the Grantee every six months in accordance with this Grant Agreement. HCAI reserves the right to increase or decrease the number of EVFs required to be submitted within the Agreement Term, if needed.

5. Nothing in this Grant Agreement relieves the Grantee of the primary responsibility to be in good financial standing with their education institution.
6. The total obligation of HCAI under this Agreement shall not exceed **\$[Award Amount]** to the Grantee and shall be payable as follows:
 - a. HCAI or HCAI's designee will issue payments directly to the Grantee's education provider as identified in their application. These payments will be made within the period of August 2026 to May 2029.
 - b. If Grantee's eligible costs are reduced below the award amount at the time HCAI or HCAI's designee is able to make a payment, the payment amount will be correspondingly reduced. The total award cannot exceed the Grantee's eligible costs.
7. HCAI or HCAI's designee will make a payment to the education institution in good faith. In return, the Grantee will abide by the terms of the Grant Agreement, will complete the Service Obligation, and will provide documents as may be required by HCAI to ensure compliance with the Grant Agreement.
8. Payment is conditioned on the cooperation of the Grantee's education provider. Payment may be delayed due to lack of cooperation from the education provider. HCAI reserves the right to decrease the award amount or terminate this Grant Agreement if an education provider fails to cooperate with HCAI's payment process. In the event of a reduced award, HCAI reserves the right to reduce the term of Grantee's Full-Time Service in accordance with Section 6.3 of the [BH-CONNECT Special Terms and Conditions](#).

E. Tax Implications on Award

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.

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 the education provider of the Grantee or the 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.
3. This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the term of this Agreement for the purposes of this Program. In addition, this Agreement is subject to any additional statute, restriction, limitation, or condition enacted by Congress or the Executive Branch of the United States Government which may affect the provisions, terms, or funding of this Agreement in any manner.
4. It is mutually agreed that if the US Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.
5. HCAI has the option to invalidate the Agreement under the 30-day cancellation clause or to amend the Agreement to reflect any reduction of funds.

G. Breach

HCAI or their designee 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 education, Full-Time Service, or Service Obligation, HCAI or HCAI's designee shall recover the total amounts paid by HCAI or HCAI's designee to, or on behalf of, the Grantee.
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 this Grant Agreement unless Grantee obtains relief under Section H "Provisions for Suspension, Waiver, Cancellation or Voluntary Termination of Service".

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

[Grantee's Full Name]	Date
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H. Provisions for Suspension, Waiver, Cancellation or Voluntary Termination of Service

1. A Grantee may seek a waiver related to their Service Obligation on the basis of an extraordinary circumstance. All requests for a waiver must be sent to the program officer. HCAI may request applicable documentation and may deny a waiver request if documentation is not provided.
2. The following extraordinary circumstances may result in the waiver of a service obligation:
 - a. Disability or Serious Illness: A Grantee experiences a documented long-term medical condition or disability that renders them unable to fulfill their education, or Service Obligation.
 - b. Death of Grantee: In the event of a Grantee's death, Grantee's education requirements, and Service Obligations are considered null and void.
 - c. Military Deployment or Activation: A Grantee is called to active duty in the United States Armed Forces, including activation if the Grantee is a reservist or the drafting of the Grantee into active service, and the length of time in the armed services renders them unable to fulfill their education, or Service Obligation. This does not include circumstances where the Grantee voluntarily enlists into the armed forces.
 - d. Loss of Immigration or Legal Residency Status: A Grantee loses lawful immigration or legal residency status thereby preventing the Grantee from legally working in the state.
3. Grantees may request that the fulfillment of their education or Service Obligation be suspended. All requests for a suspension must be sent to the program officer. HCAI may request applicable documentation and deny a suspension request if documentation is not provided.
4. The following circumstances may result in the suspension of a Service Obligation:
 - a. Natural Disaster, Act of God, or Declared Emergency: A major natural disaster, catastrophic event, or declared local, state, or federal emergency

significantly disrupts Grantee's ability to fulfill their education or Service Obligation.

- b. Institution or Site Closure or Program Disruption: The assigned service site, educational institution, or program closes or becomes non-operational, and an alternative placement is not immediately available.
- c. Temporary Disability: A Grantee experiences a disability that is temporary in nature and temporarily precludes them from fulfilling their education or Service Obligation.
- d. Military Deployment or Activation: A Grantee is called to active duty in the United States Armed Forces, including activation if the Grantee is a reservist or the drafting of the Grantee into active service, and the length of time in the armed services renders them temporarily unable to fulfill their education or Service Obligation. This does not include circumstances where the Grantee voluntarily enlists into the armed forces.

5. If Grantee is granted a suspension, Grantee will be given 6 months to become reemployed in an eligible setting or reenrolled with an eligible education provider. HCAI may extend the suspension period on a case-by-case basis. Irrespective of any provision in this agreement, all Service Obligations must be completed on or before December 31, 2033, or the Grantee may be held in breach.

6. If Grantee plans to be away from his/her Approved Practice Site(s) for paternity/maternity/adoption leave, Grantee is required to inform HCAI and HCAI's designee at least 60 calendar days before taking the leave. HCAI allows Grantee 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, Grantee must adhere to the leave policies of his/her Approved Practice Site.

7. In accordance with Section 6.1 of the [BH-CONNECT Special Terms and Conditions](#), HCAI cannot permit Grantee to work less than full-time, as described in Section 1.A.4 of this Grant Agreement, during the fulfillment of their Service Obligation.

8. HCAI may terminate this Grant Agreement before payment is made to the Grantee's education provider upon Grantee's request. To request termination of this Agreement, Grantee must submit a written request via email with their reason for termination of this Agreement. If approved, HCAI will terminate this Agreement. No penalties will be owed by Grantee to HCAI, and Grantee will be eligible to apply again in the future.

I. Change of Approved Practice Site

1. Grantee may request from HCAI a change in practice location from one Approved Practice Site to another. Grantee must notify HCAI within 30 days of a change in Practice Site and submit required documentation. If the proposed transfer Practice Site is disapproved and Grantee refuses assignment to another Approved Practice Site, the Grantee may be placed in breach.
2. If Grantee voluntarily resigns from their Approved Practice Site(s) without prior approval from HCAI or is terminated by their Approved Practice Site(s) for cause, Grantee may be held in breach. Grantee must notify HCAI immediately in writing of such voluntary resignation or 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. This Grant Agreement may be extended for the length of time Grantee is without a Practice Site, so long as the period without a Practice Site does not exceed six months and so long as their unemployment 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 Grantee of their decision in writing. An extension of the service time will not be allowed to extend the Agreement Term past December 31, 2033.

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

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (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 specified in this Agreement. Anticipating potential overlaps, conflicts, and scheduling issues, and otherwise adhering to the terms of this 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 §§ 7920.000 et seq.).
5. Audits: Grantee agrees that HCAI, the Department of General Services, the State Auditor, or the designated representative of any of the foregoing shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The Grantee agrees to maintain such records for possible audits for a minimum of three years after final payment is made, unless a longer period of records retention is stipulated by the State. The Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Grantee agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., Cal. Code Regs. tit. 2, §1896).
6. Non-Discrimination Clause (See Cal. Code Regs., Title 2, §11105):
 - a. During the performance of this Agreement, Grantee and its subcontractors shall not deny the Agreement's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decision making, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status.

Grantee shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

- b. Grantee and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.8), and any regulations or standards adopted by HCAI to implement such article.
- c. Grantee shall permit access by representatives of the Civil Rights Department and HCAI upon reasonable notice at any time during the normal business hours, but not less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or HCAI shall require to ascertain compliance with this clause.
- d. Grantee and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- e. Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

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- 7. Independence from the State: Grantee, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

- 8. Waiver: The waiver by HCAI of a breach of any provision of this Agreement by 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.
- 9. Approval: This Agreement is of no force or effect until signed by both parties. Grantee may not commence performance until such approval has been obtained.
- 10. 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.
- 11. Assignment: This Agreement is not assignable by Grantee, either in whole or in part, without the consent of HCAI in the form of a formal written amendment.
- 12. Indemnification: Grantee agrees to indemnify, defend, and save harmless the State, its officers, agents, and employees (i) from all claims and losses accruing or resulting to any and all of Grantee's, subcontractors, suppliers, laborers, and

any other person, firm, or corporation furnishing or supplying work services, materials, or supplies resulting from the Grantee's performance of this Agreement, and (ii) from 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.

13. 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 Officer. 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 the reasons for the decision.
- c. Within ten working days of receipt of the Deputy Director's decision, the Grantee may contest the decision of the Deputy Director by submitting a written request for review to the Chief Deputy Director stating why the Grantee does not agree with the Deputy Director's decision.
- d. Within ten working days, the 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.

14. 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 Grant Agreement at the time and in the manner herein provided. Grantee shall pay the amount actually awarded under this Grant Agreement.

15. Governing Law: This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

16. 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.

17. The Grant Guide is incorporated into this Grant Agreement by reference.

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: [Cycle Name]
Section/Unit: Health Workforce Development	Grantee's First Name, Last Name: [Applicant Contact Name]
Program Officer Name: [Grant Administrator 1 Full Name]	Address: [Applicant Contact Address 1]
Address: 2020 West El Camino Avenue, Suite 1222 Sacramento, CA 95833	Phone Number 1: [Applicant Contact Phone 1]
Phone: [Grant Administrator 1 Main Phone]	Phone Number 2: [Applicant Contact Phone 2]
Email: [Grant Administrator 1 Primary Email]	Email: [Applicant Contact Email Address]

M. Parties' Acknowledgement:

By signing this Grant Agreement, I acknowledge that I am subject to the eligibility requirements identified in the Medi-Cal Behavioral Health Scholarship Program Grant Year 2026 Grant Guide (the “Grant Guide”), which is incorporated into this Agreement in its entirety by reference. I understand that I may be disqualified from the process if an eligibility conflict is identified based on the criteria set forth in the Grant Guide.

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

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