



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

**Fiscal Year 2024-25
Grant Guide**

Please read this guide, in full, prior to contacting program staff.

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Section I: LMH Grant Information

Purpose

The purpose of this document is to provide a program overview and outline the requirements for Licensed Mental Health (LMH) Services Provider Education Program applicants. Applicants will find steps to complete their application and awardees can review program requirements to complete their service obligation. 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.

Background and Mission

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

LMH is funded through a \$20 surcharge from renewal and licensure fees collected by the Department of Consumer Affairs for psychologists, marriage and family therapists, licensed clinical social workers, and professional clinical counselors in California. The purpose of this program is to increase the number of appropriately trained mental healthcare professionals providing direct client care in a qualified facility or area in California.

Awardee Program Requirements

Loan Repayment Program

In exchange for a 12-month service obligation to serve medically underserved areas and/or in a qualified facility in California, eligible mental health professionals may receive a loan repayment of up to **\$15,000**. Awardees are expected to meet program requirements for the duration of the LMH program. Awardee is defined as an applicant who has been selected to receive the LMH program award and who has signed their Grant Agreement. Failure to comply with these requirements may lead to disqualification and termination from the program. Awardees may be considered in breach of their Grant Agreement if they are unable to comply with the terms of their contract. If an awardee does not meet the terms of their contractual obligations, they may not be eligible for the annual payment.

Below is the list of program requirements awardees are expected to comply with:

- Maintain a current and unrestricted license and be in good standing with the California Board of Behavioral Sciences and/or the California Board of Psychology.
- Have existing qualifying educational loan debt incurred while pursuing a degree to practice in an eligible mental health profession.
- Keep said educational loans in good standing.

- Must not be in breach of any other HCAI/health professional service obligation.
- Must not participate or have an existing service obligation with another entity, including other HCAI funded programs.
- Submit progress reports, in the form required by HCAI, demonstrating compliance with program requirements and their agreement/contract.
- Maintain 32 hours or more per week of direct client care during the entirety of the contract period.
- To inform HCAI in writing within 30 business days of any change in contact information (mailing address, telephone number, email address, etc.), or any change in circumstances impacting an awardee’s eligibility to receive or participate in the LMH program.
- Complete and submit an application through the HCAI eApp Funding Portal by June 14, 2024, at 3:00 p.m.

Eligible Disciplines

Applicants currently licensed and practicing in one of the eligible disciplines below can receive loan repayment assistance through the LMH program:

• Associate Clinical Social Worker	• Licensed Professional Clinical Counselor
• Associate Marriage and Family Therapist	• Licensed Psychologist
• Associate Professional Clinical Counselor	• Postdoctoral Psychological Assistant
• Licensed Clinical Social Worker	• Postdoctoral Psychological Trainee
• Licensed Marriage and Family Therapist	• Waivered Psychologist

Eligible Practice Sites

An applicant must provide direct client care in one of the following eligible geographic areas or approved site designations:

• Children’s Hospital	• Health Professional Shortage Area – Mental Health (HPSA-MH)	• Non-Profit Mental Health Facility that contracts with a county entity to provide mental health services
• Clinics providing Reproductive Health and abortion-related services	• Publicly Funded Mental Health Facility	• State-Operated Health Facility
• Correctional Facility	• Public Mental Health Facility	• Substance Use Facility
• County-Operated Health Facility	• Public School Facility	• Veteran’s Facility

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 practice sites listed above.

If you are providing services via telehealth, your employer must have a physical office in California, and it must be one of the eligible practice sites listed above.

Eligible and Ineligible Educational Loans and Loan Characteristics for Awardees

Below is a table of eligible and ineligible loans and loan characteristics for the LMH program.

Eligible	Ineligible
<ul style="list-style-type: none"> • Any outstanding U.S. government (federal, state, or local) and US commercial (private) student loan for undergraduate or graduate education obtained by the applicant for school tuition, and reasonable educational expenses in pursuit of their health profession degree. • In the name of the applicant • Obtained prior to the submission of the application to the Loan Repayment Program • In good standing (not being in default); deferment and forbearance are okay. • Consolidated and/or refinanced educational loans may be eligible, and they must clearly delineate the original loans and the degrees conferred. They cannot be with another person’s loan or with non-educational loans. Failure to provide this information may result in ineligibility for the program. 	<ul style="list-style-type: none"> • Parents PLUS loans • Personal lines of credit • Loans in default • Credit card debt • Promissory notes • Loans operating outside of the U.S. • Loans paid in full

NOTE: PAYE/REPAYE plans are not considered loan repayment programs and are therefore qualifying. Applicants may participate in the Public Service Loan Forgiveness (PSLF) program.

Awardees must continue to follow the arrangement they have with their lender(s).

If the awardee’s educational debt is paid off/forgiven during their service obligation, they have the following options:

1. Provide proof from the lender that debt has been paid in full, and their contract will be marked as complete, and the award will be disencumbered; or
2. Remain in their contract and complete their service obligation to receive their full award.

Award Funding and Distribution

LMH funding comes from licensure fees. Approximately **\$693,000** is available to eligible licensed mental health professionals practicing in California. In the event there is additional state funding available, HCAI has the discretion to make additional awards.

Payments will be made in annual arrears, upon verification of meeting program requirements via the submission of progress reports. A total of one annual payment is distributed. The maximum award amount for the LMH program is **\$15,000**. 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.

NOTE: Applicants will not be awarded more than their total educational debt left on their loan balance.

All payments will be issued by the State Controller’s Office (SCO) via a paper check. Checks are mailed via USPS directly to the Awardee’s mailing address on file. Direct deposit is **not** available.

NOTE: Please ensure your” Profile” page on the HCAI eApp Funding Portal has your most recent mailing address on file and that you have submitted an updated STD. 204 form with your updated mailing address to avoid delay in payment. See Attachment B: Sample Grant Agreement, Section D: Payment Provisions and Reporting Requirements, for detailed information.

An awardee may apply for additional awards following the successful completion of their current LMH agreement. To remain eligible, the individual must still have qualified educational debt, successfully completed their current LMH agreement, and meet all the other LMH program eligibility requirements. An awardee may 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.

Tax Information

Awardees are advised to consult with a tax advisor to address questions about whether this loan repayment is considered reportable/or taxable income. This information is not intended to provide tax or legal advice. Awardees with questions regarding the taxable/or reportable nature of this loan repayment should consult a tax advisor.

Service Obligation

Awardees must provide full-time service in direct client care, including practicing for a term of at least 12 months at a qualified facility in California in an eligible discipline.

- **Full-Time Service:** Defined as a minimum of 32 hours per week providing direct client care.
- **Direct Client Care:** This includes assessment, treatment, counseling, procedures, self-care, patient education and documentation relating to patient encounters 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:** The supervising staff who provides direct supervision over the staff who are providing the direct client care.

Program Monitoring

HCAI expects the awardee will begin performance of the grant agreement on the start date listed on the grant agreement. If awardee is unable to begin their service obligation on the start date of the grant agreement, their contract may result in an administrative breach. Work performed, and payments before the grant agreement start date will not count towards the requirements for the grant agreement.

Awardee Communication Requirements

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

1. 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”.

2. 30 calendar days if you:

- Have any change in practice site, contact your Program Officer via email to verify if the practice site is eligible. If determined to be eligible, your Program Officer will provide a blank Employment Verification Form (EVF) to be completed. Once signed by your supervisor you must submit the completed EVF to your Program Officer via email for administrative review.
- Change your name, mailing address, phone number and/or email address. Awardee’s “Profile” page on the HCAI eApp Funding Portal must be updated to reflect this change prior to contacting their Program Officer via email.

NOTE: Contact Program Officer via email to request and submit a Payee Data Record form (STD204) anytime there is a change in the Awardee’s name and/or mailing address.

3. 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.

Practice Site Absences

Awardees may have up to four weeks during the Term of this Agreement away from their LMH approved practice site for vacation, holidays, continuing professional education, illness, or any other reason. HCAI will extend the Awardee’s obligation end date for each day of absence over the allowable four weeks.

Grant Agreement Deliverables

Awardees of the LMH program are required to submit two progress reports through the HCAI eApp Funding Portal during their 12-month service obligation. The schedule of those reports is based on your contract start date (September 30, 2024) as follows:

Deliverable	Date Available*	Due Date	Payment Assoc.
Progress Report One	March 31, 2025	April 30, 2025	No
Progress Report Two	September 29, 2025	October 31, 2025	Yes

**Availability dates are approximate*

Awardees will receive detailed instructions for the completion of the report via a notification sent out by the eApp (from no-reply@hcai.ca.gov) on the “Date Available*”.

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 HCAI eApp Funding Portal (<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 log in. Section II: Provider eApp Technical Guide contains information regarding how to register and complete your application.

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 a fair and impartial process for scoring and evaluating applications. Each application is reviewed by HCAI staff to assess their eligibility and

awardability per the established program criteria as outlined in Attachment A: Evaluation and Scoring Criteria. Applying does not guarantee you will be awarded.

HCAI may make multiple awards. 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 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 of California. HCAI may give preference to applications seeking to support geographic regions not addressed by other similarly scored applications.

Award Process

HCAI will notify selected applicants after finalizing all award decisions. The award process time can vary depending on the number of applications received. HCAI will use DocuSign to send contract documents to Awardees for review and signatures. Once the grant agreement is sent out via DocuSign, the Awardee will have seven business days to accept their grant agreement, by signing the grant agreement, or to decline their grant agreement via DocuSign.

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

Contract Termination

Awardee may terminate their agreement without penalty, no later than 45 days before the end of the fiscal year in which HCAI entered into the agreement. To request a termination of agreement, the Awardee must:

1. Submit a written request via email with their reason for termination of the agreement.
2. Repay all amounts paid to the Awardee pursuant to their agreement. The awardee shall make all repayments before the end of the fiscal year in which the awardee received payment from HCAI.

HCAI will close out the contract, effective immediately. No penalties will be due back to HCAI, and the Awardee will be allowed to apply again in the future.

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

Breach Policy

HCAI reserves the right to recover monies for the awardee’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.

Key Dates

The key dates for the program year are as follows:

Event	Date	Time
Application Available	May 1, 2024	3:00 p.m.
Application Submission Deadline	June 14, 2024	3:00 p.m.
Anticipated Award Notice	August 2024	N/A
Proposed Grant Agreement Start Date	September 30, 2024	N/A

Technical Assistance Call (TAC)

Applicants are encouraged to attend one of the scheduled TAC calls during the application cycle to ask questions related to their application and/or the Funding eApp. Below is a schedule for upcoming TACs.

Date	Time	Meeting Info
Tuesday, May 14, 2024	11:00 a.m. – 12:00 p.m.	Click here to join the meeting Or call in (audio only) +1 916-535-0978.469645141# United States, Sacramento Phone Conference ID: 469 645 141#
Tuesday, June 11, 2024	3:00 p.m. – 4:00 p.m.	Click here to join the meeting Or call in (audio only) +1 916-535-0978.561135569# United States, Sacramento Phone Conference ID: 561 135 569#

Resources

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

Please reference the following documents for additional information:

1. [Funding Eligibility Quiz](#): Take the quiz to find out if you are eligible to apply for a HCAI Loan Repayment, Scholarship, Grant, or Small and Rural Hospital Project Reimbursement.
2. [Program Frequently Asked Questions \(FAQs\)](#): Document answers commonly asked questions tailored toward applicants and awardees.

3. Technical Assistance Guide: Assist applicants and awardees with navigating the HCAI eApp Funding Portal and submitting required deliverables.

Contact Us

Please review all guides, in full, prior to contacting program staff. Any additional questions can be emailed to HCAI staff at HWDD-LRP@hcai.ca.gov. Please allow up to 24 business hours for response.

Section II: 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 HCAI eApp Funding Portal 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) with an account activation link. Click the link in the email to return to the eApp and complete your user “Profile” page. After your user “Profile” page 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 your 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 sections to complete:

1. General Information
2. Contact Information (**one unique 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 being ineligible.**
8. Application Certification

Attachment A: Evaluation and Scoring Criteria

Core Categories	Guidelines	Points
Languages Spoken	<p>25 points: Speaks one or more listed languages fluently/well enough to be able to provide direct care services to clients.</p> <p>0 points: Does not speak more than one language.</p>	25 points max
Health Professional Shortage Areas	<p>How many years of experience do you have working or training in Health Professional Shortage Areas (HPSA)?</p> <p>25 points: Five or more years</p> <p>20 points: Four years</p> <p>15 points: Three years</p> <p>10 points: Two years</p> <p>5 points: One year</p> <p>0 points: Less than one year</p>	25 points max
Economically Disadvantaged	<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>25 points: Yes</p> <p>0 points: No</p>	25 points max

Attachment A: Evaluation and Scoring Criteria (Continued)

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

Attachment B: Sample Grant Agreement

GRANT AGREEMENT BETWEEN THE
DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION
AND

[Applicant Contact Name], [DISCIPLINE/SPECIALTY]
GRANT AGREEMENT NUMBER **[GRANT NUMBER]**

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

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, Awardee 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 Awardee, 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 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.
 3. “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.
 4. A facility that is a Clinic providing reproductive health and abortion related services, Children’s Hospital, Correctional Facility, County-Operated Health Facility, Public School Facility, State-Operated Health Facility, Substance Use Facility, and 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 Number**], awarded to Awardee.
8. “Awardee” means an applicant who was selected by HCAI to receive grant funds.
9. “Grant Funds” means the funds provided by HCAI to Awardee 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 Awardee and approved by HCAI.
12. “Program Manager” means the HCAI manager responsible for the program.
13. “Progress Report” means a report completed by the Awardee and signed by their employer, certifying the Awardee 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 Awardee 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

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

The Awardee 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 12 months at an Approved Practice Site as a(n) **[Discipline]**.
 - a. Awardees may have up to four weeks during the Term of this Agreement away from their LMH approved practice site for vacation, holidays, continuing professional education, illness, or any other reason.
 - b. Should Awardee take more than four weeks as stated above and HCAI agrees to this, HCAI and Awardee agree to amend the term of this Agreement to extend the service obligation for each day of absence over the four weeks.

2. If awardee is unable to begin their service obligation on the start date of this agreement, their contract may result in an administrative breach.
3. Apply all Grant Funds received to the qualifying educational loan(s) provided by the lending institution(s) listed on the Program Application. Awardee 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.
4. Pay to the lending institution(s) listed in the approved Program Application any interest that accrues during the term of this Agreement.
5. Notify HCAI, in writing, of any and all, name, mailing address, phone number, and e-mail address changes within 30 calendar days of the changes.
6. Awardee must notify HCAI within 30 calendar 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 Awardees to contact their Program Officer (identified under Section L. HCAI and Awardee Contact Information) to verify eligibility of a potential new employer before switching places of employment.
7. 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**].

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

8. Awardee 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. Awardee 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.

9. In the event an Awardee's loans are forgiven and/or paid off during the course of the Agreement term, Awardee must contact their Program Officer via email to review available options.

D. Payment Provisions and Reporting Requirements

1. HCAI shall make **one Annual** payment of Grant Funds within the Service Term, from **[Contract Start Date]** to **[Contract End Date]**, payable directly to the Awardee. 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 Awardee 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 Awardee of the primary responsibility to repay the educational debts listed in the approved program application. Awardee shall be issued payment pursuant to HCAI receiving completed progress reports. Awardee 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 Awardee and shall be payable as follows:
 - a. **[\$Payment #1]** after Awardee has completed one year of service obligation in compliance with this Agreement, which is **[Deliverable Due Date #2]**.
5. Payment shall be made and is conditioned upon HCAI's receipt of documentation of the Awardee'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. Awardee 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 Awardees. 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 Awardee or to furnish any other considerations under this Agreement and Awardee 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 Awardee to reflect the reduced amount.

G. Breach

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

1. For failure to start or complete Awardee’s service obligation, HCAI shall recover all of the following:
 - a. The total amounts paid by HCAI to, or on behalf of, the Awardee for loan repayments for any period of obligated service not served; and
 - b. An amount equal to 10% of the total award amount plus interest.
2. Any amount HCAI is entitled to recover from the Awardee for breach of this Agreement shall be paid within one year of the date HCAI determines that the Awardee 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. Awardee will be ineligible to apply for any HCAI Programs in the future if they materially breach their contract unless Awardee obtains relief under Section H.

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

[Awardee's Full Name]

Date

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

1. Any service or payment obligation incurred by the Awardee will be canceled upon the Awardee's death.
2. HCAI may waive or suspend the Awardee's Service Obligation or payment obligation incurred under this Agreement if the Awardee is permanently incapacitated by illness or injury, which prevents Awardee from practicing his/her profession or prevents Awardee 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. Awardee must submit a written request to HCAI for waiver of suspension of Awardee's service obligations. A suspension of Awardee's obligation may be granted up to one year if Awardee'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 Awardee 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 Awardee 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 Awardee 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 Awardee's temporary inability to perform their service obligation. Awardee 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 Awardee plans to be away from his/her approved practice site(s) for paternity/maternity/adoption leave, the Awardee is required to inform HCAI at least 60 calendar days before taking the leave. HCAI allows Awardees 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 Awardee 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 Awardees who are military reservists and are called to active duty; Awardees 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 Awardee'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 HCAI entered into the agreement. To request a termination of agreement, the awardee must:
 - a. Submits a written request via email with their reason for termination of the agreement.
 - b. Repay all amounts paid to the awardee pursuant to their agreement. The awardee shall make all repayment before the end of the fiscal year in which the awardee received payment from HCAI.

HCAI will close out the contract, effective immediately. No penalties will be due back to HCAI, and the awardee will be allowed to apply again in the future.

I. Change of Approved Practice Site

1. Awardee 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 Awardee refuses assignment to another approved practice site, the Awardee may be placed in breach.
2. Awardees 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. Awardee must notify HCAI in writing of immediate termination.

3. If Awardee becomes unemployed or is informed by his/her practice site of a termination date, Awardee must notify HCAI immediately in writing. The Agreement may be extended for the length of time the Awardee 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, Awardee may notify HCAI in writing, requesting additional time. HCAI will inform the Awardee 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. Awardee 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 Awardee.
2. **Final Agreement:** This Agreement, along with the Awardee’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 Awardee’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 Awardee, 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 Awardee will not operate or be construed as a waiver of any other breach. HCAI expressly reserves the right to disqualify Awardee 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 Awardee 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 Awardee, either in whole or in part, without the consent of HCAI in the form of a formal written amendment.
10. Indemnification: Awardee 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 Awardee in the performance of this Agreement.
11. Disputes: Awardee shall continue with the responsibilities under this Agreement during any dispute. Any dispute arising under this Agreement, shall be resolved as follows:
 - a. Awardee 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 Awardee's position, and the remedy sought. Awardee 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 Awardee, the Deputy Director or their designee shall make a determination and respond in writing to the Awardee indicating the decision and reasons for it.

- c. Within ten working days of receipt of the Deputy Director's decision, Awardee may appeal to the HCAI Chief Deputy Director stating why the Awardee 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 Awardee within 20 working days of receipt of Awardee's appeal. During this meeting, Awardee and HCAI may present evidence in support of their positions.
 - d. Within ten working days after meeting with Awardee, the HCAI Chief Deputy Director or their designee shall respond in writing to the Awardee 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 Awardee fail to perform the requirements of this Agreement at the time and in the manner herein provided. Awardee shall return any unused Agreement Funds that were previously provided to Awardee 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.

L. HCAI and Awardee 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: Office of Health Workforce Development	Awardee’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 below, the Department of Health Care Access and Information (HCAI) and Awardee acknowledge that this Agreement accurately reflects the understanding of HCAI and Awardee with respect to the rights and obligations under this Agreement.

_____ **[Awardee’s Full Name]** _____ **Date**

For the Department of Health Care Access and Information:

_____ **[Procurement and Contract Services Manager]** _____ **Date**