Frequently Asked Questions (FAQs)

The FAQs is intended to answer commonly asked questions and provide information about important deadlines. For more information, please read the Application Instructions and consider attending a webinar to receive additional information about the program – more information on the webinars is available at CalHealthCares.org.

General

What is the loan repayment program?

The loan repayment program offers physicians and dentists the opportunity to repay their educational loan debt up to $300,000 in exchange for a five-year service obligation in which their direct patient care caseload is a minimum of 30% Medi-cal beneficiaries.

Is it true that applicants can also apply for a Practice Support Grant?

Yes, qualifying dentists may apply for either a loan repayment (see answer above) or a practice support grant. Eligible dentists may not apply to both. Physicians may only apply for the loan repayment program. For more information, please see the practice support grant section.

How much funding do you have?

The Budget Act of 2018 appropriates a specified portion of the California Healthcare, Research and Prevention Tobacco Tax Act (Proposition 56) revenue to the Department of Health Care Services (DHCS) for use as the nonfederal share of health care expenditures per the annual state budget process for state fiscal year 2018-19. Senate Bill 849 (Chapter 47, Statutes of 2018) established the Proposition 56 Medi-Cal Physicians and Dentists Loan Repayment Act Program (LRP) and appropriates $220 million for a loan assistance program for recently graduated physicians ($190 million) and dentists ($30 million). There is approximately $41.8 million available every cycle starting in 2019 and for five annual cycles.

Do all applicants receive a loan repayment award?

Unfortunately, no. Each application cycle is unique, and the number of applicants awarded depends on the number of applications received as well as the availability of funding. The program expects to award approximately 127 physicians and 20 dentists for the April 2019 application cycle.

How are awards decided?

The Advisory Council will consider the following criteria:
- Current and proposed caseload of Medi-Cal beneficiaries

- Hours providing direct patient care per week
- HPSA score or Dental HPSA score
- Medi-Cal threshold language/s spoken at work
- Personal statement
- Letter of recommendation (for current students, residents, and fellows only)
- Valid business plan (for dentists applycing for the practice support grant only)

If I am not awarded in this application cycle, may I apply for the next open application cycle?

Definitely! We encourage all eligible applicants to reapply if they were not awarded in the previous year.

Eligibility

Who qualifies for the Loan Repayment Program?

Applicants must have completed their physician residency or graduated from a dental school, residency and/or fellowship within the last 5 five years (January 1, 2014).

What specialties are eligible to apply?

Eligible professions include allopathic or osteopathic physicians specializing in any primary, specialty or sub-specialty care. Similarly, dental providers in any primary, specialty or sub-specialty care are eligible to apply.

Do providers need to be currently employed?

Providers must be currently employed and/or, have a validated offer of employment, at the time of application.

Do providers need to be employed full time?

No, part time providers are eligible for the LRP program as long as they adhere to the service standard of at least a 30% Medi-Cal caseload. Part time providers are not eligible for the full $300,000 amount. For example, a provider working 20 hours per week gets up 50% of the full amount or $150,000, while a provider working 40 hours per week, is eligible for the full amount of $300,000.

Must providers be licensed to apply for CalHealthCares?

Yes. Providers must have a current, full, permanent, unencumbered, unrestricted health professional license, by their respective board.

Do providers need to be in good standing with Medicare and Medi-Cal programs?

Yes, applicants must be in good standing with the Medicare and Medi-Cal programs. Applicants with current Medi-Cal suspensions, disbarments, or revocations will not be eligible.

Do providers need to be in good standing with their educational loans?

No, providers need not be in good standing with their educational loans, however applicants cannot be in default with their loans.

Do I need to be current on my educational loans?

Applicant's educational loans must be in good standing. Good standing for the purposes of educational loan debt is defined as not being in default. Applicants may have educational loans that are in deferment and/or forbearance. Awardees must continue to make payments during their terms of their contract. As part of this application, applicants will be required to submit current educational loan statements.

Can I be faculty?

Yes, you can be faculty if you are also seeing providing individual and direct patient care.

How many Medi-Cal patients do I need to see?

The goal of this program is to support existing physicians and dentists that have 30 percent or more Medi-Cal beneficiaries as part of their caseload, as well as, support existing physicians and dentists to increase their participation in Medi-Cal. If awarded, you must commit to a patient caseload of at least 30 percent Medi-Cal patients. Caseload may be defined as annual office visits, panel of patients, payer mix, practice and/or time.

If my current patient caseload of Medi-Cal patients is below 30 percent, am I still eligible?

Definitely! Applicants who are currently below 30 percent of their Medi-Cal patient caseload, are eligible, as long as they agree to increase their participation to at least 30 percent, for the entire service agreement.

Does my practice site have to have a high Health Professional Shortage Area (HPSA) score?

No. Your practice site does not need to have a particular HPSA score. However, your practice site's HPSA score will be a factor – of many – to determine awardees. HPSA is defined by the federal Health

Resources Services Administration (HRSA) and can depend on your automatic facility **or** geographic area HPSA score. If your geographic area HPSA score differs from your automatic facility HPSA score, please enter your highest score. Applicants will receive points based on their location. Please follow the link here to find your HPSA score.

If I have completed another loan repayment program am I eligible?

Yes! Applicants may apply once they have successfully completed the terms of agreement of their loan repayment program. Participating and successfully completing a loan repayment program will not impact an applicant's eligibility. Applicants that are currently participating in another loan repayment program and will not complete their service obligation by July 1, 2019 are not eligible to apply. This may include employer-sponsored, local, regional, state and/or national loan repayment programs. For example, physicians currently participating in the Steven M. Thompson Loan Repayment Program and/or the National Health Services Corp (California's State Loan Repayment Program) are not eligible to apply.

If I am currently participating in the National Public Service Loan Forgiveness Program am I eligible?

Yes, applicants that are currently pursing loan forgiveness through the national Public Service Loan Forgiveness Program are eligible to apply.

What types of loans are eligible for the LRP program?

Qualifying educational loans are any outstanding government (federal, state, or local) and commercial (iei.e. private) educational loan for undergraduate or graduate education obtained by the applicant for school tuition, other reasonable educational expenses, and reasonable living expenses in pursuit of their medical and/or dental agree. Educational loans must be obtained prior to the submission of the application to the loan repayment program.

What types of loans are ineligible for the LRP program?

Educational loans in pursuit of other post-graduate degrees such as an MBA or PhD are **not** eligible for the loan repayment. In addition, the following loans do not qualify for the LRP program:
- Parents PLUS Loans
- Personal lines of credit
- Loans subject to cancellation
- Credit card debt
- Promissory notes

Do providers have to be a U.S. citizen to apply?

Applicants do not need to be a U.S. citizen to apply, however they must be eligible to work in the United States for the terms of the contract.

Award

Is the award amount based on my original loan balance or my current loan balance?

The award is based on the verified loan balance at the time of application submission, or a maximum of $300,000.

How will I know if I have been awarded?

All applicants who have been awarded will be contacted via email by June 30, 2019, with an official award letter and service agreement for review, completion, and signature.

If chosen for an award, will funds be paid directly to my loan provider?

No, funds will be disbursed to you directly.

If funds are paid to me directly, will I be liable for taxes?

Payments made under the National Health Service Corps or any state loan repayment or loan forgiveness program that is intended to provide for the increased availability of health care services in underserved or health professional shortage areas are excluded from gross income, effective for amounts received by an individual in tax years beginning after December 31, 2008. This response is **not** intended to provide tax or legal advice! Applicants with questions regarding the taxable and/or reportable nature of this loan repayment should consult a tax advisor.

Terms of Agreement

Can applicants participate in another loan repayment program at the same time as participating in this program?

No, providers can only be under one service obligation (program) at a time. Applicants must attest that they are not receiving any type of assistance from another loan repayment program while under the service agreement.

Where do services have to be provided?

Services may be located in any geographic region or area in California.

Do I have to commit to five years of service?

Yes, both physicians and dentists for the educational loan repayment must commit to five years of service. Dentists applying for the practice support grant must commit to ten years of service.

What if I want to change practice sites?

If you wish to change practice sites, the new site must allow you to continue to meet all the program requirements as noted in your contract.

What happens if an LRP awardee is unable to fulfill the terms of their contractual obligation and complete their service obligation?

Awardees may be considered in breach of their contract if they are unable to comply with the terms of their service agreement and will not be eligible for the annual loan repayment. For example, if an awardee moves out of state or no longer has an individual direct patient caseload of 30% Medi-Cal, the awardee is considered in breach of the contract and the annual payment will no longer be provided.

When will I receive my award?

Payments will be made in arrears, in essence after every one-year of service. Each annual payment will be 20 percent of the total award. As such, an awardee that receives a loan repayment of $300,000 would receive a $60,000 payment after each one year of service, assuming that the awardee also meets the other requirements (i.e. active and unrestricted license, in good standing with the Medi-Cal program, minimum 30 percent Medi-Cal caseload, etc.).

My current individual direct patient caseload is more than 30 percent Medi-Cal. If awarded will I get "credit" for the time spent at my site before my contract effective date?

No. Your obligation beginning and end dates, will be clearly listed on the contract. You will not receive "credit" for time served outside of those dates.

Application

If awarded, do I have to re-apply each year?

No, however, awardees must provide documentation that they are meeting the contractual obligations of the LRP program on a semi-annual basis.

I don't have an NPI number. What is that and where do I get one?

An NPI number is a National Provider Index Number obtained through the Centers for Medicare and Medicaid Services (CMS) National Plan and Provider Enumeration System (NPPES). It is a unique 10-digit number to identify healthcare providers. All applicants must have an NPI to be eligible for the LRP program.

What do I need to apply for the LRP program?

To see a full list of the information and documents needed, please see our LRP program checklist here.

Do I need to submit account statements for all of my educational loans?

Recognizing applicants may have multiple loans administered through a single loan servicer, applicants should include all loans from a single loan servicer as one lender and provide the total amount. Applicants with multiple loans through a single loan servicer should submit their most recent account statement which should include a list of each loan and their current balance.

Is there a website where I can gather information on all my federal loans?

To help students with lender information and verification, the National Educational loan Data System (NSLDS), allows students to generate a summary report that contains originating loan information such as: outstanding balance, interest, and loan status for all of their federal loans. Applicants can visit their website here for more information.

Who should I contact if I have questions?

For additional information, please contact PHC at CalHealthCares@phcdocs.org.

Practice support grant

What is the practice support grant?

Eligible dentists may apply for a business grant up to $300,000 to relocate their practice to one of the geographic target regions, **or** open a new location of an existing business in an underserved area, in exchange for a ten-year service commitment. Dentists may apply for either a loan repayment or a practice support grant. Eligible dentists may not apply for both – the electronic application will ask eligible dentists to choose an option. Dentists applying for the practice support grant are not required to have educational loan debt.

Who qualifies for the practice support grant?

Eligible applicants must have graduated from a dental school within the last 15 years, have an unrestricted license and be in good standing with the Dental Board of California, currently employed or have a private practice within California, and be willing to relocate their practice **or** open a new location of an existing business in an underserved area.

What are the eligible expenses?

Applicants will submit a business plan that provides an overview of costs associated with relocating and/or establishing the new practice that can meet the minimum 30 percent Medi-Cal caseload. Business plans may include costs to establish and sustain a practice using any, but not limited to, the following eligible expenses:

- Renovation or construction for a practice
- Equipment or furniture for a practice
- Staff salaries for a practice
- Qualified educational loan repayment
- Income guarantee or direct compensation
- Recruitment or productivity bonus
- Relocation cost
- Continuing education fees

Do I need to have a specific patient caseload?

Eligible dentists must commit to a patient caseload of at least 30 percent Medi-Cal patients. A caseload may be defined as annual office visits, panel of patients, payer mix, practice and/or time.

What are the targeted counties?

Below is a list of the targeted counties for the practice support grant.

Priority Counties for Dental Practice Support Grant			
Alpine	Colusa	Mono	Trinity
Amador	Lassen	Sierra	Mariposa
Calaveras	Humboldt	Modoc	
Yuba	Kings	Glenn	
Inyo	Monterey	Del Norte	

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