

# MI Kids Now Loan Repayment Program (MKN LRP)

## Fiscal Year 2022 Application & Program Guidance

### PROGRAM OVERVIEW

**The MI Kids Now Loan Repayment Program (MKN LRP)** is a medical education debt repayment program focused on incentivizing behavioral healthcare providers to practice in underserved areas in Michigan. The MKN LRP assists schools and employers in the recruitment and retention of mental health providers who continue to demonstrate their commitment to building long-term behavioral health infrastructure in underserved communities designated as Health Professional Shortage Areas (HPSAs). MKN LRP will assist those selected by providing up to \$200,000 in tax-free funds to repay their educational debt over a period of up to eight years of participation. New applicants and current participants compete for consecutive two-year MKN LRP agreements requiring them to remain employed for a minimum of 40 hours per week for no less than 45 weeks per year at eligible nonprofit practice sites providing mental healthcare services to ambulatory populations. Providers must remain with the employers who sponsor them during their two-year agreements, and employers must continue to employ the providers they sponsor during their two-year service obligations. Employers must not use MKN LRP payments to offset participants' salaries or other components of their compensation packages. MKN LRP payments must be in addition to participants' salaries, which must be based on prevailing rates in their practice areas.

The application period starts on **07/18/2022** and ends on **07/29/2022**.

For questions, please email Reanna Kathawa at [kathawar@michigan.gov](mailto:kathawar@michigan.gov).

[This program is administered by the Michigan Department of Health and Human Services.](#)

# DOCUMENT GUIDE

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# ELIGIBILITY

## Eligible MKN LRP Provider Types:

Applicants must have one of the following professional titles in the State of Michigan to be eligible for loan repayment through the MKN LRP.

### School Based Provider:

- Psychiatrists (MDs or DOs)
- Psychologists
- Licensed or limited licensed masters Social Workers
- Licensed or limited licensed professional counselor
- Licensed or limited licensed marriage or family therapist
- Case Managers
- Supports Coordinators
- Board Certified Behavioral Analysts (BCBA)
- Board Certified Assistant Behavioral Analysts (BCABA)

### Community Based Provider:

- Psychiatrists (MDs or DOs)
- Psychologists
- Psychiatric Nurse Specialist
- Licensed or limited licensed masters social workers
- Licensed or limited licensed professional counselor
- Licensed or limited licensed marriage or family therapist
- Wrap-around Specialists
- Case Managers
- Supports Coordinators
- Board Certified Behavioral Analysts (BCBA)
- Board Certified Assistant Behavioral Analysts (BCABA)

A bachelor's degree or higher that has allowed the provider to obtain employment in the above professions is acceptable as long as the professional stays within their scope of practice.

Providers may not be dually enrolled in this loan repayment program and any other loan repayment program with a service obligation (for example, the Michigan State Loan Repayment program, National Health Service Corps or Michigan Opioid Treatment Access Loan Repayment Program).

Providers must be working on a full-time basis at the approved eligible practice site.

## **Prioritization:**

The below prioritization system will be utilized to rank provider applicants:

1. Eligible child providers in a public behavioral health-based system defined as local community mental health or subcontracted entities. Psychiatrists and Licensed or limited licensed masters Social Workers, Licensed or limited licensed professional counselor, Licensed or limited licensed marriage or family therapist receive highest priority within the category, followed by all other eligible child provider types within the public behavioral health-based system.
2. Eligible child providers in the public school-based system. Psychiatrists and Licensed or limited licensed masters Social Workers, Licensed or limited licensed professional counselor, Licensed or limited licensed marriage or family therapist receive highest priority within the category, followed by all other eligible child provider types within the school-based system.
3. Eligible child providers in other settings. Psychiatrists and Licensed or limited licensed masters Social Workers, Licensed or limited licensed professional counselor, Licensed or limited licensed marriage or family therapist receive highest priority within the category, followed by all other eligible child provider types within other settings.
4. Eligible adult providers in any setting. Psychiatrists and Licensed or limited licensed masters Social Workers, Licensed or limited licensed professional counselor, Licensed or limited licensed marriage or family therapist receive highest priority within the category, followed by all other eligible adult provider types within any settings.

## **Eligible Practice Sites:**

Eligible providers must work at practice sites located in mental Health Professional Shortage Areas (HPSAs) or at sites which have HPSA facility designations or the public-school based system. The federal government designates areas and facilities with provider shortages as 'Health Professional Shortage Areas' for mental health services. Providers and employers can determine if a practice site is located within a HPSA by entering its address in the federal Health Resource and Services Administration (HRSA) website located at: [Find Shortage Areas \(hrsa.gov\)](https://www.hrsa.gov/shortage). A practice site may be located in a county with no HPSA designation but be eligible for loan repayment if it has a HPSA facility designation. You can search for practice sites with HPSA facility designations by clicking on 'HPSA by State & County' on the same page where you can search by practice site address.

Eligible practice sites may be in a school, outpatient clinic setting or group or solo private practice.

## **Service Obligation Period**

Any provider participating in this program will be eligible to receive loan repayment for two-years with a two-year service requirement, starting 9/1/2022 and ending 8/31/2024. Every participant will sign a contract with MDHHS that details a repayment process if a breach occurs.

## PAYMENT PROCESS

Each participant will be paid one quarter of their approved medical education debt repayment after each six months of completed service obligation. Six-month payments are made directly to healthcare providers, not to their lenders, and providers are required to pay down their qualifying educational loans for reasonable education expenses by an amount at least equal to the payments they receive from the MKN LRP.

### Award Amount Summary

Providers may participate in MKN LRP for up to eight years and receive up to \$200,000 in income-tax free funds to repay their eligible educational debt. Providers may not receive MKN LRP payments in excess of their total eligible debt.

MKN LRP loan repayment agreements require two-year service obligations. Two-year loan repayment agreements will be determined by the calculation described below and applicants must have sufficient eligible debt to warrant an initial two-year, \$20,000 loan repayment agreement to participate. Participants compete for each subsequent two-year loan repayment agreement during every other application period. After at least one two-year agreement, a participant's final agreement may be for one year if there is insufficient debt remaining to support a minimum \$20,000 two-year contract, but may not be for less than \$10,000.

All initial agreements must be for two years. Initial two-year agreement amounts are determined by dividing the amount of providers' eligible debt, up to the \$200,000 maximum, by their eight years of eligible program participation and multiplying by two.

**Example:** For a new participant with \$140,000 eligible debt, divide \$140,000 by eight years of eligible participation and multiply by two years for a \$35,000 initial two-year agreement ( $\$140,000/8 \text{ years} = \$17,500 \text{ per year} \times 2 \text{ years} = \$35,000$ ).

Odd dollar amounts derived in this manner will be rounded up or down to the nearest \$1,000 amount for administrative simplicity. If an applicant has at least \$20,000 of eligible debt and the two-year agreement amount calculated as describe above is less than \$20,000, the provider will receive, if awarded, the minimum \$20,000 two-year agreement.

### Service Verifications

It's important for participants to understand how and when they will be paid. Providers complete six months of their service obligations beginning with the September 1<sup>st</sup> start date of their MKN LRP agreements and then initiate their first six-month payments. Providers initiate their six-month payment cycles each March 1<sup>st</sup> and August 31<sup>st</sup> during their participation in the program by submitting their properly dated Work Verification Forms (WVFs) to their employers. Providers must also submit their Workdays Away from Practice Site (WDA) forms to their employers with their final WVFs. Providers receive their fully executed MKN LRP agreements, WVFs, and Workdays Away Forms attached to emails announcing their fully executed MKN LRP agreement packages. WVFs are dated with the year and month during

which they must be submitted to employers.

Again, providers must initiate the process for each of their MKN LRP payments by providing their employers with the appropriate forms. Providers must save the electronic version of their MKN LRP Agreements, WVFs and Workdays Away Forms, print them, and keep the copies in a safe place because the MKN LRP Office does not provide duplicates. Providers should also mark their calendars to remind themselves when their next WVF is due, because failing to submit WVFs on time will delay participants' payments until the next six-month payment cycle.

### **Registration on Sigma Vendor Self Service (VSS)**

All providers participating in this program (considered "vendors" in SIGMA VSS) must immediately register for electronic funds transfer (EFT) on SIGMA VSS (<https://sigma.michigan.gov/webapp/PRDVSS2X1/AltSelfService>). This will allow MKN LRP payments to be electronically deposited into your personal checking or savings account. Providers will receive their fully-executed MKN LRP agreements attached to an email announcing their fully-executed LRP agreement package.

### **Change of Personal Information Reporting Requirements**

Providers must notify the MKN LRP Office of ANY personal information changes (including name, home address, phone numbers and email address) and change their profiles on SIGMA Vendor Self Service (VSS) no less than 10 calendar days before they occur. Your personal information must be the same at the MKN LRP Office and on SIGMA VSS to receive LRP payments.

## APPLICATION FORMS AND PROCESS

This is a two-year program. Eligible behavioral health providers may apply to the program starting Monday, July 18<sup>th</sup>, 2022. The application cycle will close on Friday, July 29<sup>th</sup>, 2022.

### Submitting Applications – File Transfer Application Instructions

MKN LRP will utilize the File Transfer Application for application submission. This system was created by State of Michigan and is designed to keep applications secure. Providers, not their employers, must upload their applications via the File Transfer Application. Providers can access this system through the State of Michigan MILogin system using following link <https://milogintp.michigan.gov>. In order for providers to access the File Transfer Application, providers must first create an account. Once an account is created, providers will then need to select the option “Request Access.” Providers must then enter ‘File Transfer’ in the “Search Application” field. Next under “Michigan Department of Health & Human Services (MDHHS)” click on the DCH-File Transfer link. The MKN LRP office will be notified of this request and will grant providers access to the File Transfer Application. Providers will then be able to upload their documents which will complete the submission process of their MKN LRP applications. When uploading documents, providers must select ‘DHHS-MKN LRP’ from the “Area” dropdown list. Providers must properly label each document when uploading material and also include their name on each document. Uploading the MKN LRP application will complete the application submission process. Providers can access the user manual for the File Transfer Application using the hyperlink below. Providers should only refer to pages 5-14 of the File Transfer Application Manual. This manual explains each step of the process for creating an account, requesting access, and uploading documentation. Providers experiencing issues accessing the File Transfer Application should contact the [File Transfer Support Team](mailto:File Transfer Support Team) at [DCH-File-Transfer-Support@michigan.gov](mailto:DCH-File-Transfer-Support@michigan.gov).

Please note, providers should create an account as soon as possible. This will allow them to access this system and have everything set for the MKN LRP Application Period. Providers should only upload their MKN LRP application during the MKN LRP Application Period. Additional Instructions for the File Transfer Application can be found in the User Manual.

### [File Transfer Application Account Sign-Up](#)

### [User Manual for the File Transfer Application](#)

Eligible providers must complete the application forms entirely and submit the supporting evidence to qualify for the program. A complete MKN LRP Application Package consists of:

1. Completed Provider Application Forms (3) (Part A, Part B and Provider Site)
2. Required Supporting Documentation

# APPLICATION INSTRUCTIONS

Please note that the Application Forms will not be considered complete unless they contain information from all sections below, as well as the corresponding supporting documents.

<b>1. Provider Application Part A</b>		<b>completed by the APPLICANT</b>
<b><u>Personal Information (Sections 1.a. – 1.u)</u></b>		
<ul style="list-style-type: none"> <li>Includes name, address, contact information, and demographic information</li> </ul>		
<b><u>Education &amp; Professional Information (Sections 2.a. – 2.j.)</u></b>		
<ul style="list-style-type: none"> <li>Includes professional title, provider setting type, and license number</li> </ul>		
<b>2. Provider Application Part B</b>		<b>completed by the APPLICANT and the LOAN SERVICER</b>
<b><u>Borrower Information (Sections I.1. – I.17) for the APPLICANT</u></b>		
<ul style="list-style-type: none"> <li>Includes name and participation status in any other state loan repayment program(s)</li> </ul>		
<b><u>Loan &amp; Loan Servicer Information (Sections II.1 – II.6) for the LOAN SERVICER**</u></b>		
<ul style="list-style-type: none"> <li>You must list all educational loans for which you have a remaining balance and whether or not they entail a service obligation. Include only loans that funded your undergraduate or graduate education and training that led to the professional license necessary for the position at which you will fulfill your MKN LRP service obligation.</li> </ul>		
<p><b>**For ALL applicants:</b> while your <b>Student Loan Servicer</b> must complete Sections II.1 – II.6, <b>you (the applicant)</b> will need to complete the <b>“Total Borrower Repayment”</b> table column in Section II.4. as follows:</p> <ul style="list-style-type: none"> <li><b><u>For applicants who have NOT participated in any other state loan repayment program,</u></b> you do <b>not</b> need to fill out the Total Borrower Repayment column.</li> <li><b><u>For applicants who HAVE participated in another state loan repayment program,</u></b> you <b>do</b> need to fill out the Total Borrower Repayment column.</li> </ul>		
<b>3. Provider Site Application and Declaration of Intent</b>		<b>completed by the EMPLOYER</b>
<ul style="list-style-type: none"> <li><b><u>Pages 1 – 4:</u></b></li> </ul>	includes information about employer, practice site and type of practice	
<ul style="list-style-type: none"> <li><b><u>Pages 1 – 5:</u></b></li> </ul>	signature for Certification of Compliance and Declaration of Intent	
<p><b><i>Note:</i></b> <i>If you have consolidated or refinanced any eligible loan with a non-educational loan, no portion of the consolidated/refinanced loan is eligible for loan repayment and must not be listed in this section.</i></p>		



## REQUIRED SUPPORTING DOCUMENTATION

- 1) **Loan Information Verification:** Applicants will be required to provide two types of documentation for each loan that is being submitted for consideration:
  - a) **Account Statement:** This document is used to provide current information on the applicant's qualifying educational loans, indicating the status of his/her loan balance. This document should:
    - be on official letterhead or other clear verification that it comes from the lender/holder;
    - include the name of the applicant;
    - contain the account number;
    - include the date of the statement (cannot be more than 30 days from the date of LRP application submission);
    - include the current outstanding balance (principal and interest) or the current payoff balance; and
    - include the current interest rate.
  - b) **Loan Disbursement Report:** This report is used to verify the originating loan information and should:
    - be on official letterhead or other clear verification that it comes from the lender/holder;
    - include the name of the applicant;
    - contain the account number;
    - include the type of loan;
    - include the original loan date (must be prior to the date of the application submission); and include the original loan amount.