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Federal Student Loan Repayment Programs for Behavioral Health Service Providers

Many policymakers have longstanding concerns about the availability of behavioral health (i.e., mental health and substance use) treatment services overall and in specific geographic areas. One option pursued to increase the availability of these services has been to provide student loan repayment benefits to individuals in specified behavioral health professions in exchange for providing health services in specific locations, as licensed behavioral health providers may have borrowed student loans to pursue the advanced training required of their profession. The eligible types of behavioral health providers vary by loan repayment program, but generally include psychiatrists, psychologists, nurses (who specialize in mental health), social workers, and counselors (licensed professional and marriage and family). These professionals provide a range of services, from outpatient mental health counseling and medication management to coordinated inpatient care. In recent years, programs have focused on recruiting providers who are able to provide access to medication-assisted treatment, which is used to treat opioid use disorders.

This In Focus discusses student loan repayment programs specifically available to behavioral health providers and for which Congress appropriated funds in FY2022 (**Table 1**), along with selected policy issues. All of the programs discussed are administered by the Health Resources and Services Administration (HRSA) within the Department of Health and Human Services (HHS) and are authorized by the Public Health Service Act. In general, loan repayment benefits provided under these programs are subject to the availability of funds.

Student loan repayment and forgiveness programs that are not discussed in this In Focus, but for which behavioral health providers may be eligible, include those operated by federal agencies that seek to recruit and retain health providers at federal facilities—such as military treatment facilities, Veterans Affairs health facilities, and facilities operated or funded by the Indian Health Service—and those that are available to a broader class of individuals (i.e., not specific to behavioral health professions), such as the Public Service Loan Forgiveness (PSLF) program. More information about these and other programs can be found in CRS Report R43571, *Federal Student Loan Forgiveness and Loan Repayment Programs*.

National Health Service Corps (NHSC) Loan Repayment Program (LRP)

The NHSC LRP is the largest health-focused student loan repayment program. It provides up to \$50,000 in loan repayment benefits in exchange for an individual providing two years of full-time service in an eligible discipline or specialty at an NHSC-approved service site in a federally designated health professional shortage area (HPSA; for

more information, see CRS Infographic IG10015, *Health Professional Shortage Areas (HPSAs)*). Providers may also serve half-time (i.e., 20 hours per week for two years) in exchange for up to \$25,000. Providers may extend their service in one-year increments in exchange for additional loan repayment benefits. NHSC LRP is available to the following types of behavioral health providers: psychiatrists, health service psychologists, licensed clinical social workers, psychiatric nurse specialists, marriage and family therapists, licensed professional counselors, and nurse practitioners and physician assistants who focus on mental health or psychiatry. NHSC service sites are primarily outpatient primary-care focused facilities, although Indian Health Service facilities and small rural hospitals are also eligible. For more information, see CRS Report R44970, *The National Health Service Corps*.

NHSC Substance Use Disorder (SUD) Workforce LRP

NHSC SUD Workforce LRP is a subset of NHSC LRP that provides up to \$75,000 in student loan repayment benefits in exchange for an individual providing three years of full-time service at an NHSC-approved SUD treatment facility in a mental health or primary medical care HPSA. Providers may serve half-time for three years in exchange for up to \$37,500 in benefits. NHSC SUD Workforce LRP is available to individuals who serve in NHSC disciplines, but also to physicians who provide opioid use disorder treatment (who may not be psychiatrists), SUD counselors, pharmacists, and registered nurses. Providers may fulfill their service commitment at SUD treatment sites, which may include facilities that may not be eligible for NHSC LRP because they are behavioral health focused.

NHSC Rural Community LRP

NHSC Rural Community LRP is a subset of NHSC LRP that provides up to \$100,000 in student loan repayment benefits in exchange for an individual providing three years of full-time service. Providers may serve half-time over three years for up to \$50,000 in benefits. Health professionals and service sites are generally the same as under the NHSC SUD Workforce LRP; however, service sites must be located in rural mental health or primary care HPSAs.

Substance Use Disorder Treatment and Recovery (STAR) LRP

STAR LRP provides up to \$250,000 in student loan repayment benefits in exchange for six years of service in a STAR LRP-approved facility located either within a mental health HPSA or a county where the drug-related overdose death rate for the past three years exceeds the national

average. Health provider types are the same as under the NHSC SUD program, but also include psychology doctoral interns, certified nursing assistants, licensed practical nurses, occupational therapists, medical assistants, and behavioral health paraprofessionals (e.g., community health workers and peer recovery specialists). Each recipient must provide direct treatment or recovery support of SUD patients. STAR LRP-approved sites include inpatient sites, detox facilities, recovery centers, and office-based opioid treatment facilities that are generally not NHSC-approved service sites.

Pediatric Subspecialist LRP

The Pediatric Subspecialist LRP Program was first authorized in 2010 by the Patient Protection and Affordable Care Act (P.L. 111-148), but first received an appropriation in FY2022. As such, it has not yet been fully implemented. The program is to provide up to \$35,000 of student loan repayment benefits per year to individuals who provide pediatric care in a shortage area. Individuals must agree to serve for a minimum of two years and may serve up to three years. Pediatricians and qualified health professionals who have received specialized training in child and adolescent mental health in psychiatry, psychology, school psychology, behavioral pediatrics, psychiatric nursing, school social work, SUD prevention and treatment, marriage and family therapy, school counseling, or professional counseling are eligible for this program. Specific service sites have not yet been determined.

Table 1. FY2022 Appropriations for LRPs for Behavioral Health Providers

(dollars in millions)

Program	FY2022 Funding
NHSC LRP	\$292 ^a
NHSC SUD Workforce LRP and NHSC Rural Community LRP	\$120 ^b
STAR-LRP	\$28
Pediatric Subspecialist LRP	\$5

Source: Health Resources and Services Administration Budget Documents, <https://www.hrsa.gov/about/budget/index.html>.

- Funding not exclusive to behavioral health providers.
- Funds appropriated for SUD treatment providers in general; HRSA determines the specific amount allocated for NHSC Rural Community LRP from this appropriated amount.

Selected Issues

This section highlights selected policy issues with respect to student loan repayment programs for behavioral health providers that may be of interest to Congress.

Providers in Schools vs. Healthcare Facilities

The Bipartisan Safer Communities Act (BSCA; P.L. 117-159), enacted in June 2022, authorized funds to increase healthcare services in schools. Funds may be used to support, for example, school-based mental health services. However, the current federal student loan repayment programs that are specifically for behavioral health providers are not available to individuals serving in schools, unless an individual is serving in a school-based health

center. Restrictions on LRP eligibility to individuals serving only in healthcare facilities may limit the utility of the increased BSCA funding for school healthcare, as behavioral health providers may choose to work in LRP eligible facilities rather than in schools.

Overlapping Benefits Across Programs

Multiple LRPs may be available to the same group of individuals and may serve the same or similar purposes. Also, some current proposals in Congress would authorize new LRPs to provide benefits to similarly situated individuals and to support similar purposes. Such overlap may lead to confusion among potential recipients and may lead to the government funding administrative costs for multiple programs when only one may be sufficient.

Within the current array of all federally authorized student loan forgiveness and repayment programs, the same borrower could receive benefits from multiple programs for the same service performed. Such overlap may bolster the desirability of entering into and remaining in a chosen profession but may also result in confusion among recipients regarding interactions among programs. The latter may hamper an individual's ability to make rational choices and maximize available benefits. From the government's perspective, such overlap may result in the federal government expending funds from more than one source for the same service.

Income Tax Consequences

In general, student loan debt that is repaid on a borrower's behalf is included as part of an individual's gross income for the purposes of federal income taxation. Benefits under NHSC LRP and its subsets are specifically excluded from federal income taxation. STAR-LRP and Pediatric Subspecialist LRP are not excluded from federal income taxation. An individual who received loan repayment benefits under these programs would be subject to federal income tax liability associated with those benefits. Congress might consider whether to grant similar income tax treatment to similar programs.

Funding Considerations

Loan repayment benefits provided under these programs are available subject to the availability of funds. With the exception of Pediatric Subspecialist LRP, all programs discussed in this In Focus have consistently received some amount of funding, although amounts available have varied over time. Limitations to program funding may cut against efforts to recruit and retain individuals in the fields targeted by these programs, as funding amounts may not be commensurate with need.

In response to the COVID-19 pandemic, the American Rescue Plan Act of 2021 (P.L. 117-2) appropriated \$800 million, available until expended, to HHS to carry out NHSC LRP (as well as the NHSC scholarship and state loan repayment programs). This may ultimately result in scenarios in which behavioral health providers and their employers rely on a large, one-time infusion of funds that may not be available going forward.

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