

Behavioral Healthcare Provider Loan Redemption Program

Questions and Answers



Q. Which providers are eligible to participate in the program?

A. To see a list of behavioral healthcare disciplines eligible for participation in the program click [here](#).

Q. I do not live in New Jersey. Am I eligible to participate in the program?

A. No, you must be a New Jersey resident at the time of application and throughout the duration of program participation.

Q. When and how do I apply to the program as a provider?

A. On October 1, 2023, HESAA will open the application on our website. Complete applications must be submitted on or before 11:59 ET on October 31, 2023. Late and/or incomplete submissions will not be accepted.

Q. When will I be notified if I am going to receive funding?

A. Applicants will be notified by or after January 15, 2024 whether or not they were accepted into the program.

Q. Do I have to reapply to the program each year if I am a current participant in the program? Do I have to reapply for the incentive grants for working primarily with children?

A. No, you do not have to reapply each year, however your employer must recertify your employment on an annual basis.

Q. How do I receive the annual \$5,000 incentive grant for working with primarily with adolescents?

A. Your employer must complete a certification to verify that you work primarily with children and adolescents. This would include working a minimum of 51% of your work time with children and adolescents. Your employer will complete an annual certification, which verifies your continued employment and whether you worked primarily with children and adolescents during the prior year.

Q. When I was accepted into the program I did not work primarily with children and adolescents. I do now. Can I receive the incentive payment now?

A. Participants who begin working primarily with children and adolescents after the time of initial application must apply for the additional incentive payment by submitting a program application during the next application window. The participant's eligibility to receive the additional incentive payment will be considered during that subsequent year's selection process. Participants will not lose any eligibility for loan redemption previously approved through the program, as long as their new position meets all eligibility requirements. HESAA will review participants' subsequent eligibility to receive additional incentive payments on a case-by-case basis.

Q. Can I stay in the program if I switch positions?

A. If the participant switches to a new position that meets the program's eligibility requirements, including a certification of eligibility from the new employer, the participant can remain in the program. HESAA will review participants' eligibility to remain in the program when working in a new position on a case-by-case basis.

Q. Do I have to reapply to the program if my prior application was denied?

A. Yes, all applicants whose application was previously denied must submit a new application to be considered for the new round of funding. As noted above, all applications for FY24 funding must be submitted between October 1-31, 2023.

Q. What can I do if my application is denied?

A. HESAA will communicate in writing to advise ineligible applicants about how to become an eligible provider. Applicants can either comply with the written instructions or appeal the decision within 30 days of the written notification.

Q. How long is my service obligation?

A. You must serve for at least two years before the initial redemption of up to \$50,000 is applied to your student loan balance(s). HESAA will pay the loan redemption amount directly to your student loan servicer(s). HESAA will redeem up to \$50,000 in outstanding student loan balances after each two-year period of qualifying service, for up to three periods of qualifying service, for a total of up to \$150,000 in loan redemption for up to six years of service.

Q. I have been working at an approved site prior to applying for the program. Can I receive service credit for the time I worked at the approved placement site?

A. No credit will be given for employment at an approved site prior to the effective date on the contract. Service credit will commence upon the effective date on the contract.

Q. What happens if I take a leave of absence during my service obligation?

A. Providers who utilize a leave of absence must submit written notification to HESAA detailing the last day of work, the dates associated with the type of leave time used (i.e., vacation time, sick time, etc.) and the date the provider returned to work. Providers must follow the leave of absence policy of their approved site. HESAA will adjust contract start and end dates for approved family or medical leave. If the approved site's leave policies require make-up time for any period the provider is absent, the provider must notify HESAA and request an extension of the approved service contract time period.

Q. Do I have to work for a non-profit or government entity to be eligible for the program?

A. Yes. Approved sites are community providers of behavioral and mental health services located in New Jersey, including community providers operated by non-profit organizations, institutions of higher education, school districts, municipalities, county governments, State agencies, and the federal government.

Q. How will my application be scored?

A. HESAA will score applications based on the following rubric, and will allocate limited available funding to the highest-ranking applications:

- In-demand occupation/title (35%)
- Geographic location of the applicant's place of employment (25%)
- The applicant's salary in the current occupation (20%)
- Whether the applicant works primarily with children or adolescents (20%)

Q. How does HESAA determine which behavioral healthcare occupations/job titles are in demand?

A. The Industry and Occupation Employment Projections published by the New Jersey Department of Labor and Workforce Development are the reference source for projected levels of demand for behavioral healthcare occupations (<https://www.nj.gov/labor/labormarketinformation/employment-wages/industry-occupational-projections/>).

Q. Are licensed marriage and family counselors/therapists eligible for the program?

A. No, licensed marriage and family counselors/therapists are not eligible for the program..

Q. Are school counselors and school psychologists eligible for the program?

A. Licensed social workers (LSW and/or LCSW), licensed therapists/counselors (LAC and/or LPC), and licensed psychologists (Ph.D. and/or Psy.D.) are eligible for the program if they work in a school and provide at least 20 hours per week of direct patient contact services to students. Unlicensed practitioners are not eligible for the program.

Q. Are licensed social workers eligible for the program?

A. Yes, both licensed social workers (LSW) and licensed clinical social workers (LCSW) are eligible for participation in the program.

Q. Do I need to serve patients directly? What if I am in a managerial position?

A. You must directly work with patients to be considered for this program. Eligible providers must serve for at least 20 hours per week delivering direct patient contact.

Q. Do I have to pay New Jersey State income tax on loan redemption payments?

A. HESAA does not offer legal or tax advice. Please consult an attorney, accountant, and/or tax advisor. Please note that, as of July 2023, the New Jersey Division of Taxation's guidance for New Jersey Gross Income Tax (GIT) states as follows: "cancellation of debt (COD) or forgiveness of debt income is not subject to tax. For example, student loan debt forgiveness." See <https://www.state.nj.us/treasury/taxation/ppploan.shtml>. HESAA is not responsible for corrections or updates to this external tax guidance due to changes in law or interpretation after the date hereof.

Q. Do I have to pay Federal income tax on loan redemption payments?

A. HESAA does not offer legal or tax advice. Please consult an attorney, accountant, and/or tax advisor. Please note that, as of July 2023, the Internal Revenue Service's guidance for Federal Income Tax states as follows: "Amounts that meet the requirements for any of the following exceptions aren't cancellation of debt income," and notes that certain types of student loan cancellation under certain circumstances are on the list of exceptions. See <https://www.irs.gov/taxtopics/tc431>. HESAA is not responsible for corrections or updates to this external tax guidance due to changes in law or interpretation after the date hereof.

Q. If I am working toward federal student loan forgiveness under the federal Public Service Loan Forgiveness Program, can I participate in this program?

A. Yes. Participants in the federal Public Service Loan Forgiveness (PSLF) Program can also participate in the New Jersey Behavioral Healthcare Provider Loan Redemption program.

Q. If I work multiple part time jobs that equal the number of hours of a full-time job, can I qualify for the program?

A. No. You must satisfy all eligibility criteria through your employment in one full-time position.

Q. Are both my undergraduate and graduate student loans eligible for redemption?

A. Yes. Both undergraduate and graduate loans are eligible for redemption.

Q: Since Licensed Social Workers and Licensed Associate Counselors are now eligible, if a participant with their LSW or LAC comes into the program and then becomes a Licensed Clinical Social Worker or Licensed Professional Counselor will that change their scoring? Do they have to complete a new application?

A. Participants will not have to reapply if they earn their LCSW or LPC while in the program and will keep their spot in the program.

Q: Are school social workers that are certified but not licensed eligible to participate in the program?

A. No, social workers must be licensed in order to be eligible for the program.