

UNDERSTANDING AND MITIGATING BEHAVIORAL HEALTH WORKFORCE SHORTAGES

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Executive Summary

The United States is experiencing a severe mental health crisis, with one in three adults reporting mental illness or substance use issues in 2023. Despite effective treatments being available, significant barriers prevent many—especially those in underserved communities—from accessing care, leading to high rates of unmet need. This report, supported by the National Institute for Health Care Reform, explores strategies to enhance the supply and distribution of behavioral health (BH) providers. We conducted interviews across three study states—Michigan, New Mexico, and Virginia—to examine efforts to mitigate BH workforce shortages.

Expanding education and training opportunities is crucial for mitigating BH workforce shortages. States are employing strategies such as **pipeline programs** that encourage youth from underserved communities to pursue careers in health care, with the hope that they will return to serve their communities. Efforts also include **increasing psychiatry residency**

spots and enhancing the availability of supervisors and preceptors.

Despite challenges, some study states have made notable progress. Michigan, for example, has recently supported the development of two new psychiatric residency programs in rural areas. Virginia has launched a Nursing Preceptor Incentive Program, which has significantly increased compensation for nurse preceptors and boosted preceptor recruitment.

Making education and training affordable is essential for expanding and sustaining the BH workforce. Many **BH providers face significant financial barriers to completing training and licensure**, such as unpaid clinical rotations and costly supervision hours, and begin practicing with overwhelming debt. To tackle these challenges, **states are implementing strategies like loan repayment programs, scholarships, and supervision cost relief.** Michigan and Virginia have created BH-specific loan repayment programs that require service in underserved areas.

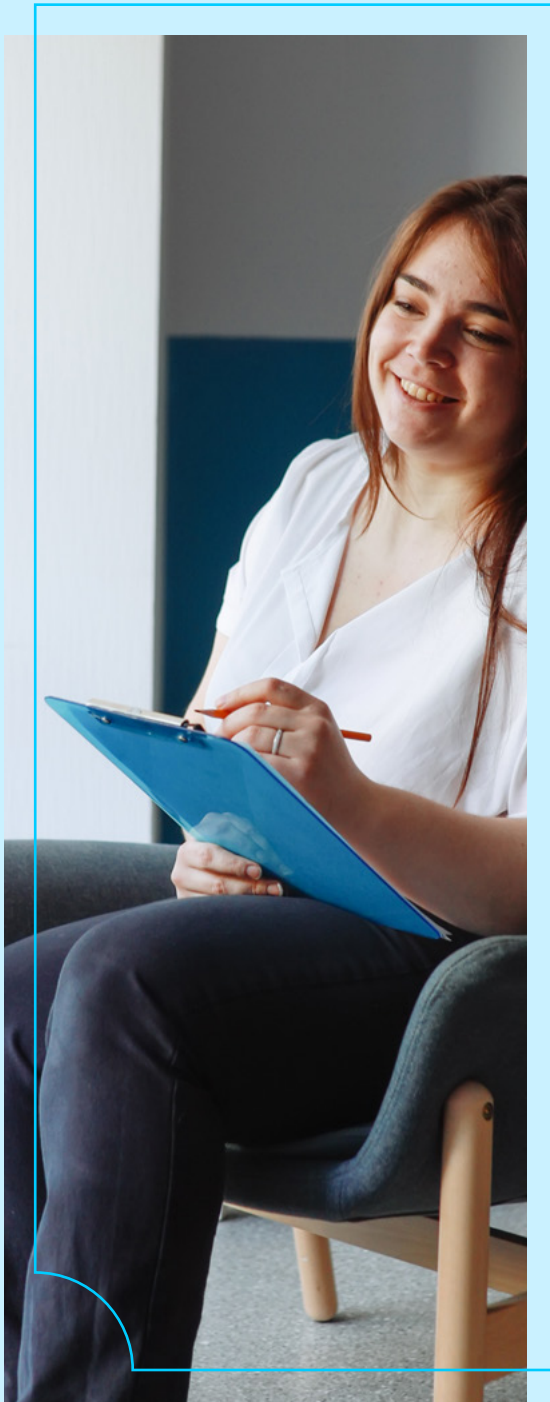
Both Virginia and New Mexico have programs to alleviate supervision costs. **States are also employing targeted strategies to expand the rural BH workforce**, including rural residency programs, distance learning, and tele-supervision, which can help retain providers in rural communities post-training.

Removing regulatory barriers to licensure is crucial for expanding the BH workforce. **BH providers often face complex credentialing and licensure requirements**, especially at the master's level, which can delay their entry into the workforce. These hurdles are exacerbated by inconsistent regulations across different state agencies and burdensome scope of practice laws that limit independent practice, particularly affecting providers in rural and underserved areas.

States are implementing strategies to ease these barriers. Virginia, for example, **eased the scope of practice restrictions for psychiatric nurse practitioners** and created a new provider category called “behavioral health technicians” that allows providers with associate's level degrees to join BH care teams. **Efforts to promote interstate licensure and reciprocity are also underway** to mitigate regional shortages by allowing providers to serve across state lines. These initiatives aim to balance the need for high-quality care with the urgency of mitigating workforce shortages.

Valuing BH providers is essential for retaining the existing workforce, which faces low insurance reimbursement rates, overwhelming practice burdens, and limited opportunities for advancement. **Low reimbursement rates make it financially unsustainable for providers to serve underserved populations.** While all three study states have attempted to increase reimbursement rates, these efforts alone have not resolved the complex challenges providers face, such as burdensome administrative rules and high patient acuity. **Excessive workloads, lack of support staff, and minimal opportunities for career advancement also contribute to high burnout rates** and drive providers out of the field. **Initiatives that offer upskilling and career advancement opportunities are crucial for recruiting and retaining skilled professionals.**

Workforce planning is essential to comprehensively tackle BH workforce shortages, but challenges like inadequate data, lack of comprehensive planning, and limited collaboration can hinder progress. **States struggle to accurately assess the supply and demand of BH providers** due to unreliable and conflicting data sources, making it difficult to plan for the future. To drive comprehensive planning, **collaboration among diverse stakeholders is crucial.** All three study states are taking steps to enhance cross-sector collaboration.



KEY RECOMMENDATIONS FOR STATE POLICYMAKERS

- **Expand Education and Training:** Increase funding for BH education programs, support pipeline initiatives to recruit from underserved communities, and incentivize experienced professionals to train new providers.
- **Make Education Affordable:** Implement loan repayment and scholarship programs targeting BH providers who serve in high-need areas, and alleviate financial barriers associated with licensure and supervision requirements.
- **Remove Regulatory Barriers:** Simplify licensure processes, expand scopes of practice for advanced practitioners, and promote interstate licensure reciprocity to increase provider availability.
- **Value BH Providers:** Improve reimbursement rates to reflect the value of BH services, reduce administrative burdens, and offer career advancement opportunities to retain and support providers.
- **Enhance Workforce Planning:** Improve data collection to accurately assess workforce needs, foster collaboration among stakeholders for coordinated planning, and ensure sustainable funding for long-term workforce development.