



# Finance Services Division UPDATES

Daniel Deniz, SAPC Finance Services Division Chief



# Fiscal Year 26-27 Substance Use Disorder Service Rates



# Fiscal Year 26-27 Substance Use Disorder Service Rates

## ASAM 4<sup>th</sup> Edition IMPLEMENTATION

- DHCS has confirmed ASAM 4<sup>th</sup> Edition will be implemented on July 1, 2027.

## GOAL & PURPOSE

- Support organizational changes needed to effectively & successfully implement ASAM 4<sup>th</sup> Edition.
- Fund needed for staffing changes, trainings, and associated costs.
- Invest in needed licensures, certifications, and permits.
- Support changes and related training(s) to internal assessment processes and systems.

## RATE INCREASE

- SAPC will increase non-residential rates by 6.2% and residential by 9.3%

# Fiscal Year 26-27 Substance Use Disorder Service Rates

<b>ASAM Level</b>	<b>Rate Increase</b>
<b>ASAM 1.0</b>	<b>6.2%</b>
<b>ASAM 2.1</b>	<b>6.2%</b>
<b>ASAM 3.1</b>	<b>9.3%</b>
<b>ASAM 3.2 – WM</b>	<b>9.3%</b>
<b>ASAM 3.3</b>	<b>9.3%</b>
<b>ASAM 3.5</b>	<b>9.3%</b>
<b>ASAM 3.7 – WM</b>	<b>6.2%</b>
<b>ASAM 4.0 – WM</b>	<b>6.2%</b>

Fiscal Year 22-23  
State of California Department of  
Health Care Services' (DHCS)  
Cost Reporting



## FY22-23 Cost Reporting

### SAPC Information Notice 25-08 ([SAPC IN 25-08](#))

- Provider agencies must submit a complete, accurate, and approved cost report/fiscal reporting by deadline

### Deadline

- No later than **April 2, 2026**
- SAPC Fiscal Reporting Analyst sent email communication to provider agencies week of March 2, 2026
- SAPC Notification sent to provider agencies' upper management on March 10, 2026
- Failure to submit approved/finalized Fiscal Reporting Tool by deadline may result in contract action(s) and interruption to payment reimbursement(s)

# FY22-23 Cost Reporting

## FY22-23 – Fiscal Reporting Tools and Training Materials

- [Prevention, Harm Reduction, & Other Services Fiscal Reporting Tool](#)
  - [This includes Recovery Bridge Housing & CENS](#)
- [Needle Exchange Program \(NEP\) Fiscal Reporting Tool](#)
- [Driving Under the Influence \(DUI\) Fiscal Reporting Tool](#)
- [Training PowerPoints](#)
- Additional information can be found on the [SAPC website](#)
  - “Providers” dropdown menu, [“Manuals, Bulletins, and Forms”](#)
  - [“Finance”](#) tab, scroll to the bottom

# Fiscal Year 25-26 Key Deadlines



# FY25-26 Value Based Incentives Deadline

Several incentives are approaching the **March 31, 2026** deadline.

## Finance and Business Operations

- Building Performance and Risk Metrics (1-A) [*Submission 3 of 3*]
- Managing Financial Risk in Value Based Reimbursement (1-B) [*Submission 2 of 2*]

## Workforce Development

- Employee Benefits Package (2-A)
- SUD Registered Counselor Minimum Wage (2-B)
- Bilingual Bonus (2-C)
- LPHA Sing-On/Loyalty & Retention Bonus (2-D)
- MAT Prescribing Clinician Start Up Cost Sharing (2-E) [*Part 2*]

## Access to Care

- Service Design Follow Up Implementation Plan (3-H)

# FY25-26 Value Based Incentives Deadline

Performance Incentive Metrics due **April 20, 2026** and R95 Champion due **April 25, 2026**.

## Finance and Business Operations

- Timely Submission of CalOMS Admission and Discharge Records (1-C)
- Timely Claims Submission (1-D)

## Access to Care

- MAT Education/Services for Opioid Use Disorder (OUD) in Non-OTP Settings (3-A)
- MAT Education/Services for Alcohol Use Disorder (AUD) (3-B)
- MAT Agency-wide Naloxone Distribution (3-C)
- Clients Referred/Admitted to Another SUD Level of Care (3-D)
- Mental and Physical Health Referrals/Care Coordination (3-E)
- R95 Champion (3-F)

# FY25-26 Value Based Incentives Deadline

## Resources

- Please review the [FY2025-26 VBI Package](#) more information on incentives and requirements or visit the [Payment Reform-Value-Based Incentives](#) website.
- All VBI [invoices](#) and deliverables must be submitted via the [Electronic Submission Form](#). Emailed and late submissions **will not** be accepted.
- If you experience any issues completing the [VBI Electronic Submission Form](#) or have any questions, please contact [DPH-SAPC-VBI@ph.lacounty.gov](mailto:DPH-SAPC-VBI@ph.lacounty.gov).

### Payment Reform - Value-Based Incentives

SAPC Home / Network Providers / Payment Reform - Value-Based Incentives

**Inquire!**  
Please submit Value-Based Incentive related inquiries to:  
[dph-sapc-vbi@ph.lacounty.gov](mailto:dph-sapc-vbi@ph.lacounty.gov)

**FAQ Find your answers here!**  
→ [Provider Meeting FAQ](#)  
→ [R95 Workgroup FAQ \(when available\)](#)

**Resources**

- [Guidance Documents](#)
- [Upcoming Trainings](#)
- [Deadlines](#)

### Payment Reform Rate Structure

SAPC's Value-Based Incentives (VBI) are designed to support and advance the implementation of CalAIM's Behavioral Health Payment Reform by shifting from primarily cost-based practices to fee-for-service and value-based practices. This approach encourages the adoption of innovative organizational practices, integration of data into decision-making, and a focus on service quality and outcomes across the specialty SUD treatment continuum.

These incentives are implemented alongside SAPC's tiered, actuarially sound rate structure, which scales based on the number of levels of care a provider agency delivers (see image to the right).

#### Rate Structure ?

1. Base Rates
2. Value-Based Incentives Funds

Value-Based Incentives Funds	
Base Rates	
Tier 3 Rates	6+ Levels of Care
Tier 2 Rates	3-5 Levels of Care
Tier 1 Rates	1-2 Levels of Care

### Value-Based Incentives

SAPC has developed a VBI Package in which the majority of funds are distributed upon achieving specific performance metrics or submitting required deliverables. The activities are structured to assess whether provider agencies invest in and deliver outcome-focused services that further quality care. VBI's core focus areas are: Finance and Business Operations, Workforce Development, and Access to Care.



**Finance and Business Operations**  
View Resources for Finance & Business

[Click here](#)

**Workforce Development**  
View resources for Workforce Development

[Click here](#)

**Access to Care**  
View resources for Access to Care

[Click here](#)

### Resources

**Guidance Documents**  
Access Incentive Package, VBI Invoice and other guidance documents for use

[Click here](#)

**Upcoming Trainings**  
View and register for upcoming Trainings

[Click here](#)

**Deadlines & VBI Communications**  
View upcoming at-a-glance due dates

[Click here](#)

# FY25-26 Billing & Invoice Deadline

## Drug Medi-Cal Claims

Claim Submission Deadline	Expected Date of Reimbursement
July 1, 2026 – July 6, 2026	End of July 2026
July 7, 2026 – July 31, 2026	End of August 2026

## **Recovery Bridge Housing, Harm Reduction, Client Engagement and Navigation Services, and All Other Services and Contracts**

Claim Submission Deadline	Expected Date of Reimbursement
July 1, 2026 – July 6, 2026	End of July 2026

- See March 9, 2026 Communication
- Provider agencies must submit all needed invoices for services conducted in FY25-26 (on and before June 30, 2026) by the deadline.
- Any FY25-26 service claims received or submitted after July 6, 2026, may not be eligible for reimbursements based on the availability of funds, contract utilization, and/or the County’s guidelines.



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March 9, 2026

**TO:** All Contract Service Provider Agencies

**FROM:** Daniel Deniz, Division Chief  
Finance Services Division

**SUBJECT:** **FISCAL YEAR 2025-2026 DEADLINE FOR SUBMISSION OF SERVICE REIMBURSEMENTS**

As the current Fiscal Year (FY) comes to a close, the County of Los Angeles Department of Public Health’s Substance Abuse Prevention and Control Bureau (SAPC) is notifying provider agencies of key invoice submission deadlines to ensure reimbursements for services provided in FY25-26. As the fiscal year-end approaches, it is essential that provider agencies account for all service-related expenses and submit all the necessary information by the identified deadlines.

Funding sources used to support our programs are under increased scrutiny. It is essential for all of us to work together to ensure that we are using substance use disorder-focused funds fully and that they are appropriately spent. This is a shared responsibility between SAPC and provider agencies. The information below is designed to support provider agencies’ billing activities over the next several months until the close of FY25-26.

**Reimbursable Services**  
Provider agencies should review their contract(s) scope/statement of work to identify all services that qualify for reimbursements. This process will ensure provider agencies can bill for all services and activities conducted to implement the program. Note that only services provided and expenditures incurred on or before **June 30, 2026** are eligible for reimbursement under the current FY (FY25-26).

**Acceptable Expense Documentation**  
Provider agencies should take several actions and considerations to support timely invoice review and processing. First, agencies need to ensure that all costs are supported with proper substantiating documentation, including but not limited to invoices, receipts, canceled checks, timesheets, and/or ledgers. Provider agencies should note the following when submitting claims for reimbursements:

## FY25-26 Billing & Invoice Deadline

### Actions to Take Now

- Conduct internal audits to identify services/costs that have NOT been submitted for reimbursements.
  - For Treatment Provider Agencies: Sage Billing - Run Progress Note Status Report to identify claims that need to be submitted for reimbursements.
- Review contract allocation and identify the amount of unused funds.
- Review statement/scope of work to confirm allowable program activities.
- Work with staff to identify needed equipment(s) and other resources to support the program that may be billed against the contract to leverage funds.
- Work with vendor(s), contractor(s), and/or other organization(s) to secure needed invoices or substantiating documentation to request reimbursements and submit by the deadline.

# FY26-27 Tier Designation Notification

## SAPC Tier System

- Based on contracted & utilized levels of care.
- Accreditation can count as one (1) level of care.
- Determined based on billings in Sage from July through March.
- Must show monthly billings for levels of care to be considered.

Tier Levels of Care	Tier Methodology
<ul style="list-style-type: none"> <li>▪ ASAM 1.0: Outpatient</li> <li>▪ ASAM 2.1: Intensive Outpatient</li> <li>▪ ASAM 1-WM: Outpatient WM</li> <li>▪ ASAM 3.1: Residential</li> <li>▪ ASAM 3.3: Residential</li> <li>▪ ASAM 3.5: Residential</li> <li>▪ ASAM 3.2-WM: Residential WM</li> <li>▪ ASAM 3.7-WM: Inpatient WM</li> <li>▪ ASAM 4-WM: Inpatient WM</li> <li>▪ Opioid Treatment Program</li> <li>▪ Recovery Bridge Housing</li> <li>▪ Accreditation by Joint Commission or CARF</li> </ul>	<p style="text-align: center;"><b><u>Tier 1</u></b> 1 or 2 Levels of Care</p> <p style="text-align: center;"><b><u>Tier 2</u></b> 3, 4, or 5 Levels of Care</p> <p style="text-align: center;"><b><u>Tier 3</u></b> 6 or more Levels of Care</p>

## Finance Services Division Update – Contact

## Questions and/or More Information

[SAPC-Finance@ph.lacounty.gov](mailto:SAPC-Finance@ph.lacounty.gov)

**(626) 293-2630**