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December 20, 2019

**SAPC INFORMATION  
NOTICE NO. 19-08**

**TO:** Los Angeles County Contracted Substance Use Disorder  
Services Network Providers

**FROM:** Gary Tsai, M.D., Interim Division Director   
Substance Abuse Prevention and Control

**SUBJECT: TRANSITIONAL PAYMENTS**

The Los Angeles County Department of Public Health, Substance Abuse Prevention and Control (SAPC) Division is committed to supporting providers and ensuring timely payment for authorized and allowable Substance Use Disorder (SUD) treatment services. From time to time, providers may experience Sage system and/or contractor-related reimbursement issues that result in financial difficulties. Under limited circumstances, SAPC may issue Transitional Payments to support the continued delivery of SUD treatment services and minimize cash flow issues when reimbursement is delayed.

**TRANSITIONAL PAYMENT METHODOLOGY**

The Department of Public Health, Finance Services is responsible for determining the amount of the Transitional Payment when requested by Contractors. The approved amount will not exceed 1/12<sup>th</sup> of the contracted allocation amount and will be based on the average of three (3) prior months of stable billing. Additionally, SAPC will determine if the cause of the issue is agency wide or specific to sites, staff or levels of care; the types of documents required will depend on this determination and identified delay reason(s).

**REQUIRED DOCUMENTS**

Providers may request a Transitional Payment by submitting the following documents to SAPC with attention to the Division Director:

- Signed letter on agency letterhead detailing the need and reasons for the request
- Completed Transitional Payment Invoice
- Completed Transitional Payment Request Form

Additional information will be requested if the delay reason(s) are not Sage system issues that impact the entire contract agency. When the likely cause(s) are specific to certain site(s) and/or provider error, SAPC Finance Services may request additional information that may include, but is not limited to:

- Current year Financial Statements (Balance Sheet, Income Statement, Cash Flow Statement, etc.)
- Reconciled Bank Statements for the last six (6) months
- Last two (2) years audited/unaudited financial statements
- Recent Independent Auditor's Report
- List of assets and liabilities

If you have any questions or need additional information, please contact SAPC Finance Services Chief at (626) 299-4590 or by email at [byates@ph.lacounty.gov](mailto:byates@ph.lacounty.gov).

Attachment

c: Victor Cortez  
Daniel Deniz  
County Counsel