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SAPC INFORMATION NOTICE 26-14

September 24, 2026

TO: Los Angeles County Substance Use Continuum
Contracted Service Provider Agencies

FROM: Brian Hurley, M.D., Interim Bureau Director and Medical Director
Substance Abuse Prevention and Control Bureau

SUBJECT: **DEADLINES FOR DRUG MEDI-CAL SUBSTANCE USE DISORDER TREATMENT CLAIM SUBMISSION AND ANNUAL VOID REPORT REQUIREMENTS**

PURPOSE

The Los Angeles County Department of Public Health (DPH), Substance Abuse Prevention and Control Bureau (SAPC) is issuing this Information Notice (IN) to describe the new deadlines for submission of reimbursement claims for Drug Medi-Cal (DMC) Substance Use Disorder (SUD) treatment services and provide information on the requirements for the Annual Void Report.

CLAIM SUBMISSION TIMELINES

On March 18, 2024, the State of California Department of Health Care Services (DHCS) released Behavioral Health Information Notice (BHIN) 24-010 - Drug Medi-Cal Claiming Timelines for Short Doyle Medi-Cal (SD/MC) which revised claiming deadlines to align with Special Mental Health systems under the Behavioral Health service benefit.

Since then, SAPC has worked with contracted network provider agencies to ensure a smooth transition into these new requirements and has postponed implementation to allow time for provider agencies to make the necessary organization changes to meet the new timelines. As part of this support, SAPC developed and offered several Value Based Incentive initiatives that funded provider agency efforts aimed at building up fiscal infrastructures, timely submission of claims and data collection. However, based on the State's

implementation of the billing submissions deadline, SAPC must now establish this system to avoid undue financial liability to the County.

Effective January 1, 2027, provider agencies are required to adhere to the following submission deadlines:

Claim Type	Deadline
Initial (Original)	Nine (9) months/270 days from date of service
Replacement	Twelve (12) months/365 days from date of service

Provider agencies may review the following for additional information:

- BHIN 24-010 Drug Medi-Cal (DMC) Claiming Timelines for Short Doyle Medi-Cal
- DMC-ODS Billing Manual FY 2026-27
- DPH - SAPC Sage

ANNUAL VOID REPORT

On July 1, 2019, DHCS issued BHIN 19-034, requiring County behavioral health (BH) plans to report overpayments to contract provider agencies that are the result of fraud, waste, or abuse. This requirement is in compliance with the Centers for Medicare & Medicaid Services' (CMS) Final Rule CMS-2390. Final Rule CMS 2390, codified under 42 CFR 438.608(d), states that County BH plans must collect the reason claims were voided. Additionally, BH plans must submit an annual report of all voids received by DHCS during the prior fiscal year.

To comply with the collection and reporting requirements, contract provider agencies must specify and attest to the reason each void request was submitted to SAPC. The reason for each void request must be categorized as either fraud, waste, or abuse. Voids that do not meet the criteria of fraud, waste, or abuse must be categorized as other.

To facilitate reporting on void requests, SAPC will be issuing a file of void requests via the Secure File Transfer Protocol (SFTP) to each contracted provider agency in October each fiscal year. The contracted provider agency needs to enter a brief description of the reason for the void and categorize that reason as fraud, waste, abuse, or other. The definitions of fraud, waste, and abuse are below. Void reasons that do not meet the criteria of the definitions below must be categorized as other. Contracted provider agencies will be required to provide responses within four (4) weeks of receipt of the file of void requests.

The file of void requests will also be accompanied by the Void Reason Attestation Form, which must be signed by someone listed in the contract as authorized to sign documents on behalf of the provider agency. By signing the attestation form, the Authorized Signer is attesting that all voids submitted for the time period are included in the report and that the

determination of whether the void was the result of fraud, waste, or abuse is true. The completed file with the void reason and the attestation must be returned to SAPC via the SFTP and when applicable include the reason for disallowance identified is SAPC monitoring reports. Incomplete returned files or attestation forms signed by someone other than an Authorized Signer will be considered incomplete and returned to the agency for correction.

Fraud, Waste, and Abuse Definitions

Fraud is defined in 42 CFR Section 455.2 as “an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. It includes any act that constitutes fraud under applicable Federal or State law”.

Waste is defined in the DHCS All Plan Letter 17-003, is “not specifically defined but is generally understood to mean the overutilization or inappropriate utilization of services and misuse of resources, and typically is not a criminal or intentional act.”

Abuse is defined in 42 CFR Section 455.2 as “provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in an unnecessary cost to the Medicaid program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care. It also includes beneficiary practices that result in unnecessary cost to the Medicaid program.”

Please contact SAPC’s Finance Services Division at SAPC-Finance@ph.lacounty.gov should you have any questions or need additional information.

BH:dd

Attachment: DPH-SAPC – Void Reason Attestation Form