SAPC | Substance Abuse Prevention and Control

County of Los Angeles Public Health

SAPC All Treatment Provider Meeting

Sept 16, 2026

Executive Updates

- Medi-Cal Changes, H.R. 1 and Qualifying Activity Requirements
- HealthConnectLA Forthcoming
- SAPC VBI Article in the NEJM
- SAPC's Impact

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Medi-Cal Changes H.R. 1 and Qualifying Activity Requirements

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- Medi-Cal Transition from Managed Care to Fee-For-Service for Medi-Cal Members who are:
  - Undocumented*
  - Green card holders (lawful permanent residents) who must wait five years for full Medi-Cal
  - Allowed to live in the U.S. but do not have official immigration status (Permanent Residence Under Color of Law or PRUCOL)
- *SAPC's Information Notice 26-02 Coverage for Clients who are Ineligible for Federally Funded Substance Use Disorder Treatment Services applies to SAPC-covered services for individuals who are not eligible for federally funded services

- Medi-Cal Fee-For-Service
  - Covers doctors and clinics that accepts FFS Medi-Cal.
  - “Fee-for-Service” does not mean the clients pays. Medi-Cal still pays for care.
  - Medications are covered by Medi-Cal Rx.
  - Enhanced Care Management and Community Supports (services only available in health plans) will not continue in FFS Medi-Cal.

http://www.dhcs.ca.gov/medi-cal/updates/medi-cal-changes

- H.R. 1
  - Twice Annual Medi-Cal Eligibility Re-Determinations
  - Community engagement requirement: Work, complete community service, or work program 80 hours per month, or enrolled in educational program at least half time
  - CMS Interim Final Rule includes exception to these activity requirements:
    - *Medically frail individuals*
    - *Participants in a drug addiction or alcohol treatment and rehabilitation program*
    - *Documentation of significantly impairment in ability to comply w activity requirement*
  - CMS released guidance about Tier 1, Tier 2, and Tier 3 framework for linking the severity of the condition to the individual's impairment
  - Self-Attestation of impairment allowable in 2027
  - DHCS Developing Enrollment Process for CMS approval

- Provider Advisory Committee Medi-Eligibility Workgroup
  - Focused on information dissemination and workplan development focused on implementing best practices in SAPC treatment programs
  - LA Care supporting through information dissemination in Keep L.A. Covered events
  - Contact PAC Liaison at **SAPC-SOC@ph.lacounty.gov** to learn more

- HealthConnectLA
  - Measure ER funded medical coverage for individuals who no longer meet Medi-Cal eligibility criteria
  - *More details forthcoming*

Value Based Incentives Article in the New England Journal of Medicine

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SAPC Payment Reform Article

County of Los Angeles Public Health

Article: Redesigning Value-Based Payment Models to Support Substance Use Treatment Systems

- Published in the *New England Journal of Medicine (NEJM): Catalyst Innovations in Care Delivery*, a prestigious, peer-reviewed, globally recognized journal.
- Showcasing SAPC's innovative approach to payment reform.

Innovative Payment Reform

- First and only SUD or SMH system to leverage new Medi-Cal payment reform opportunities by designing a VBI package to motivate advancements in care delivery.
- Invested over $90 million in our provider agency network since July 2024 through strategic financing and resource planning.
- Recognized nationally with two awards for this payment reform approach: National Association of Counties (NACo) Achievement Award and National Association of County and City Health Officials (NACCHO) Promising Practice Award

SAPC's Impact

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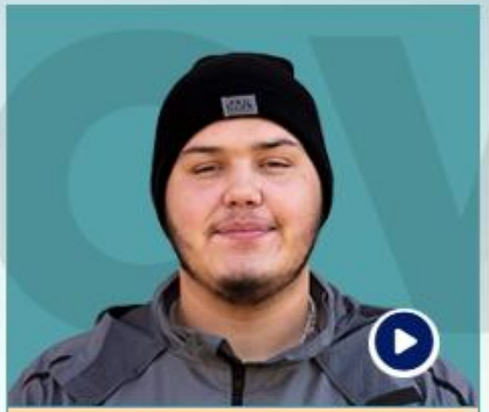
SAPC Impact

Discover how SAPC's programs have transformed people's lives toward meaningful change and lasting recovery

Martha's Impact Story



Isaiah's Impact Story

Lizzie's Impact Story

http://publichealth.lacounty.gov/sapc/docs/public/home/Impact_Summary.pdf

Description of DPH-SAPC's Networks and Reach

- DPH-SAPC serves approximately **250,000** individuals annually across prevention, harm reduction, treatment, and recovery each year.

Focus Area	#'s Served Annually
Prevention	150,000
Harm Reduction	55,000
Treatment	35,000
Recovery-Oriented Housing	5,500

- DPH-SAPC contracts with **107 unique service providers** offering a wide range of prevention, harm reduction, treatment, and recovery services, as broken down in the table below:

DPH-SAPC Contracts with Provider Agencies*	
Service	Number
Treatment	81
Prevention	34
Harm Reduction	18
Recovery Housing	27

http://publichealth.lacounty.gov/sapc/docs/public/home/Impact_Summary.pdf

DPH-SAPC Successes

- **Service Expansion as of Fiscal Year (FY) 25-26***
  - Year-by-year system expansion since launching DMC-ODS in 2017
  - 3x increase in SUD treatment and recovery investments
    - Over 2 fold increase in residential beds
    - 10 fold increase in residential services
    - 12.5 fold increase in Recovery Bridge Housing (RBH) beds
    - 4 fold increase in the number of clients served in intensive outpatient services
    - 200 fold increase in Addiction Medications (MAT) beyond methadone.
  - 21 fold increase in harm reduction investments to expand these critical services
  - 2.5 fold increase in SUD prevention investments

*This system expansion was achieved without any County General Fund through the optimization of fiscal strategies which have yielded over $200M and counting.

http://publichealth.lacounty.gov/sapc/docs/public/home/Impact_Summary.pdf

Technology

- Transitioned the specialty SUD system from a paper-based (prior to 2017) to an electronic health record (EHR) model that was fully funded and customized by DPH-SAPC to modernize operations.
- Received the California State Association of Counties (CSAC) Innovation Award for its web-based filterable SUD treatment provider directory called the Service and Bed Availability Tool (SBAT).
- Developed best-in-class and award-winning RecoverLA app (www.RecoverLA.org on mobile device browsers) to support successful connections with SUD services.

Innovative Payment Reform

- First and only specialty mental health or SUD system to optimize new Medi-Cal payment reform opportunities by designing a value-based incentives (VBI) package to motivate provider agency advancements in care delivery.
- Invested over $90M in incentive and capacity building efforts since July 2024 through strategic financing of current resources and without additional County contribution.
- Implemented a 10-year roadmap to create a runway for provider agencies to adjust to VBI care priorities and pivot from an optional to expected service model.
- Innovation recognized with publication of the "Redesigning Value-Based Payment Models to Support Substance Use Treatment Systems" article in the New England Journal of Medicine (NEJM) Catalyst Innovations in Care Delivery.
- Recipient of two national awards for this payment reform approach: National Association of Counties (NACo) Achievement Award and National Association of County and City Health Officials (NACCHO) Promising Practice Award.

Legislative Success

- Passage of AB 1037 which modernized outdated State SUD-related statutes and streamlined regulations to offer lower barrier, person centered care.
- Passage of AB 2473 which improved training standards for SUD counselor workforce across California.

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