



Finance Services Division

Daniel Deniz, Chief



Finance Services Division Updates

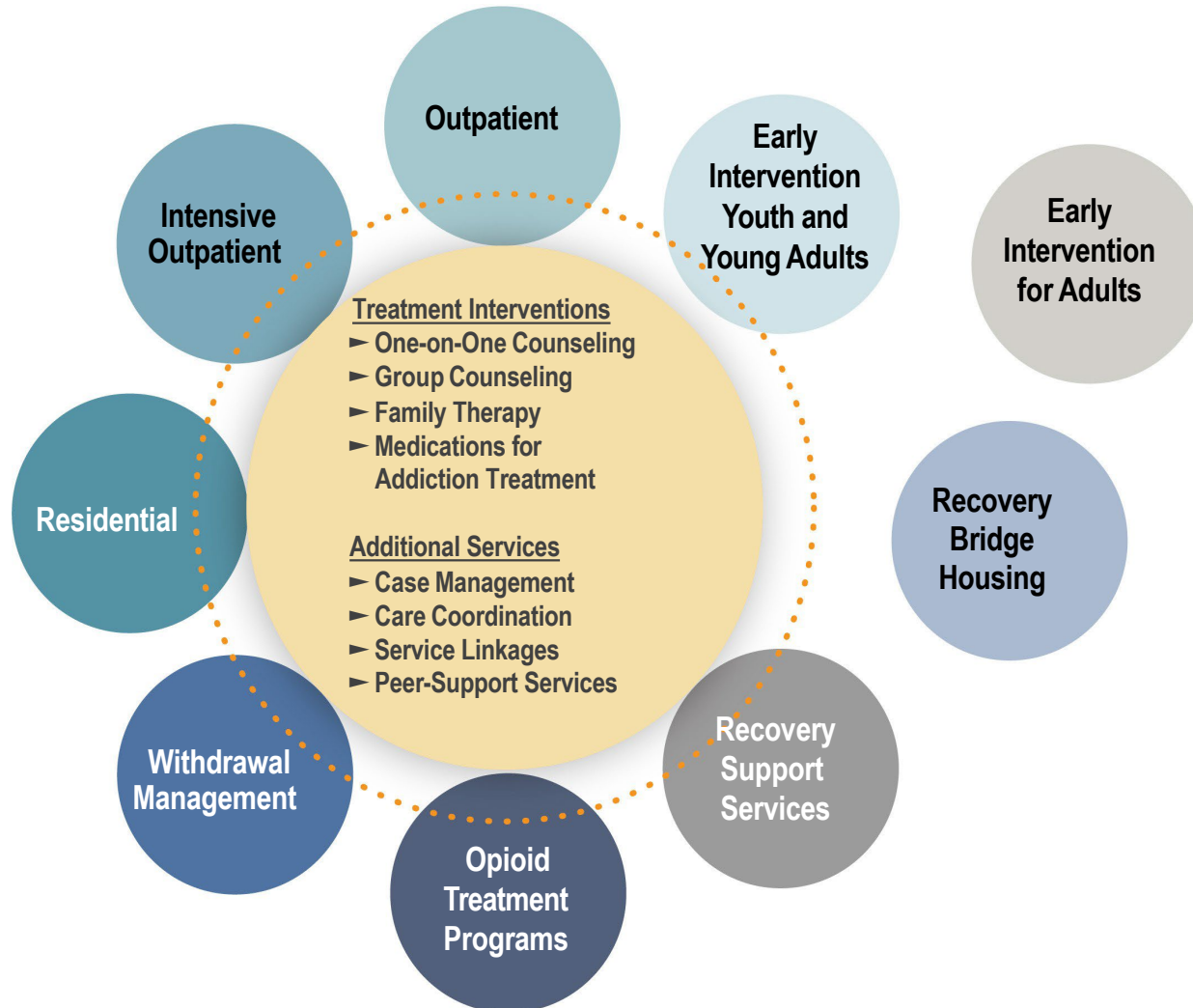
- Fiscal Year (FY) 24-25 Final Year Report
- Drug Medi-Cal (DMC) Contract Special Programs
- Recovery Bridge Housing (RBH)/ Recovery Housing (RH) Capacity Update
- DMC Billing Update



SAPC FY24-25 Final Year Report



DMC-ODS – Expanding the Continuum of SUD Care



• Growth After Drug Medi-Cal Organized Delivery System (DMC-ODS) in Los Angeles County

- Over **275% increase** in substance use treatment investments
- **206% increase** in residential beds
- **1000% increase** in residential services
- Over **700% increase** in RBH beds (compared to AFDLC beds pre-ODS)
- **50% increase** in outpatient services
- Over **500% increase** in harm reduction investments
- Over **260% increase** in substance use prevention investments

SAPC – By The Numbers

Who is SAPC today?

600+ staff

Over 150 contracted
provider agencies

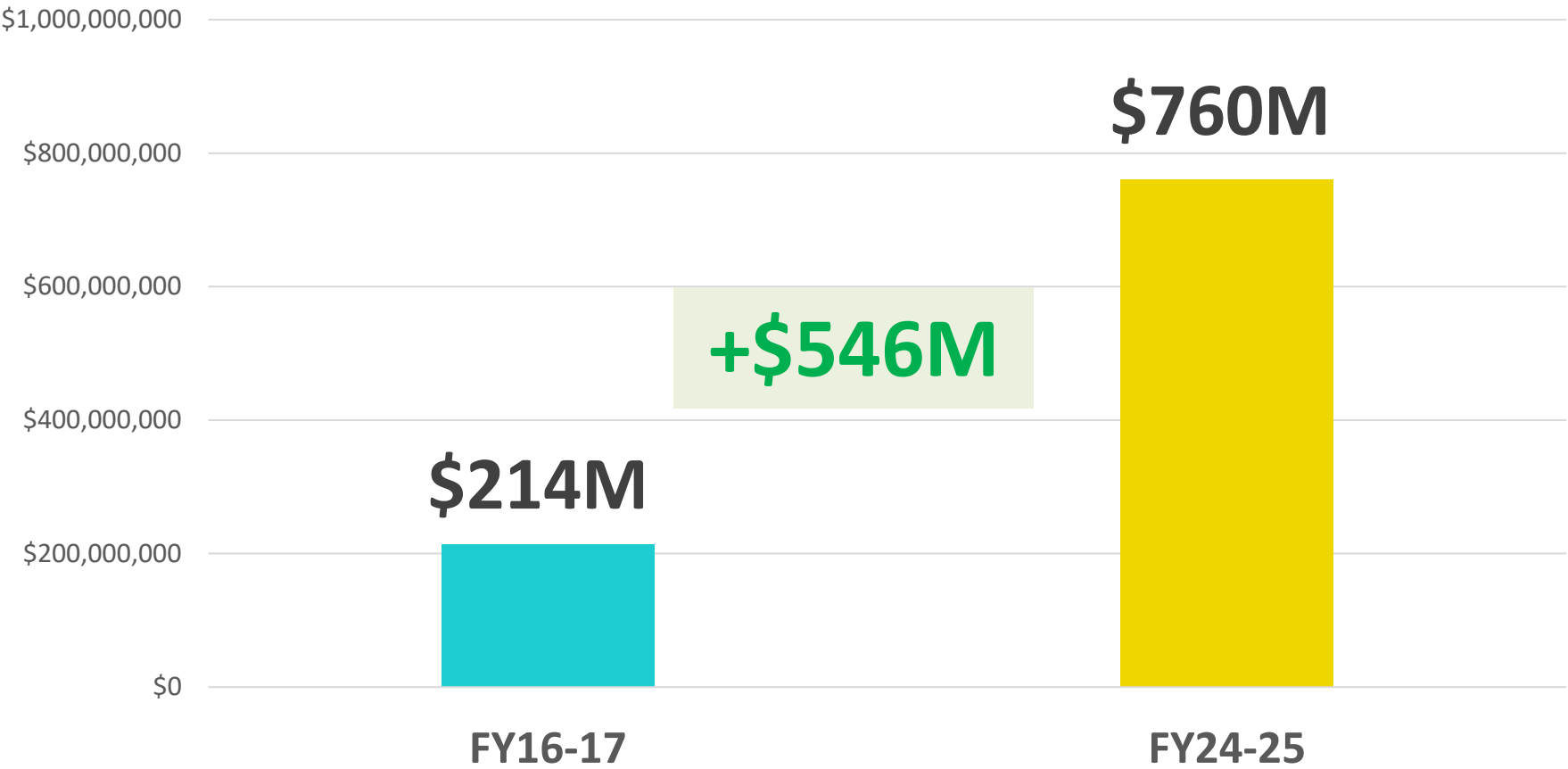
\$760M approved
budget

Over 275,000 individuals
served annually across
SUD prevention, harm
reduction, treatment, and
recovery services



SAPC – By The Numbers

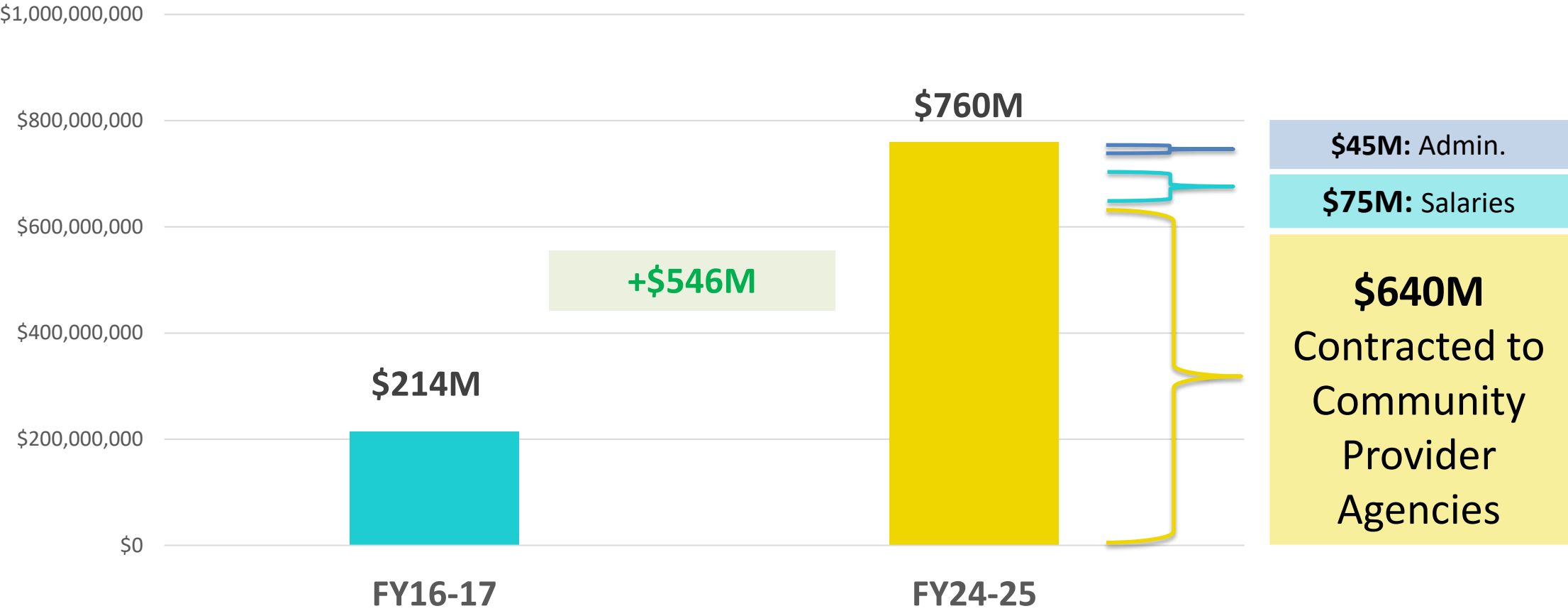
Budget Post DMC-ODS Waiver Implementation



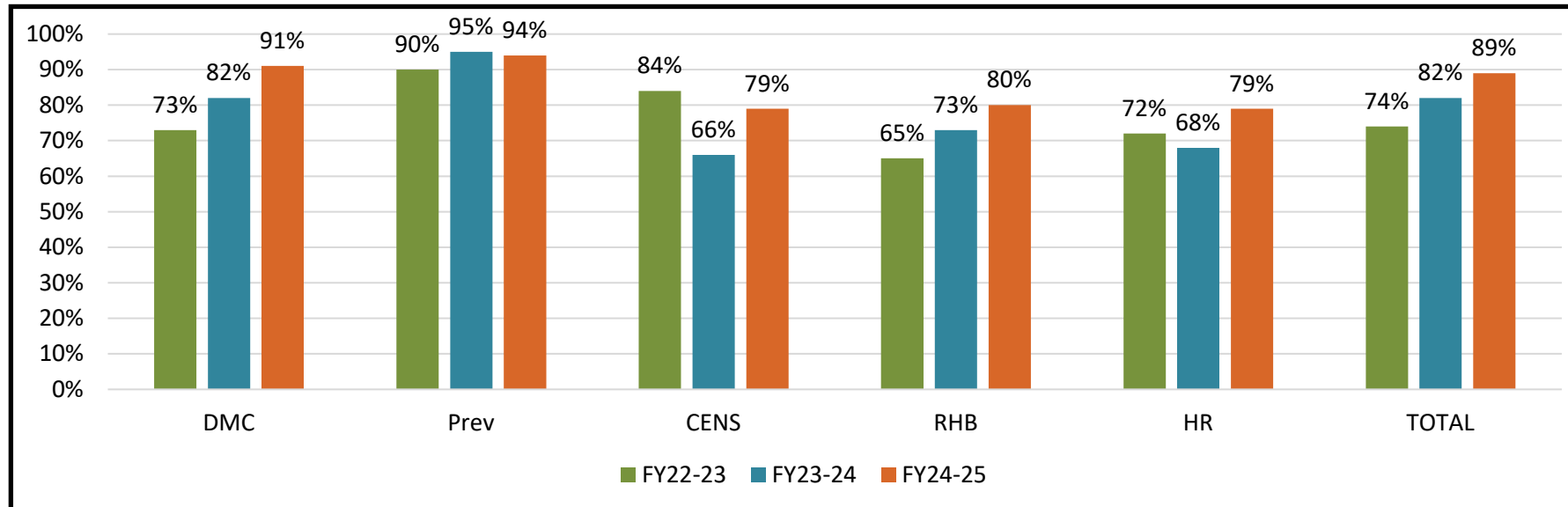


SAPC – *By The Numbers*

Budget Post DMC-ODS Waiver Implementation



SAPC Contracted Programs: 3-Year Utilization



Three (3) Year Review

- Utilization for total contracted amount has steadily increased over the last three (3) FYs, from 74% in FY22-23 to FY24-25 89%.
- DMC and RBH have consistently increased total utilization and have also seen significant increase in total allocations. In other words, we have spent much more of a larger pot every FY.

SAPC Contracted Programs

Provider Agency Level Utilization

- DMC, Client Engagement & Navigation Services (CENS), RBH, and Harm Reduction (HR) all had at least 25% of provider agencies who spent <69%
- Top 11 DMC provider agencies are responsible for \$260M (55%) of total DMC utilization
- Provider agencies with full utilization had the following organizational structures:
 - Participated in Value-Base Incentives (VBI), offered more than one (1) level of care/service, and located in more than one (1) Supervisorial Districts (SUP) or Service Planning Areas (SPA)
- Fully utilized Substance Use Block Grant (SUBG), California Work Opportunity and Responsibility to Kids (CalWORKs), and General Relief (GR)
- Exceeded 90% utilization for American Rescue Plan Act (ARPA), Care First Community Investment (CFCI), & Measure H
- Behavioral Health Bridge Housing (BHBH) was underutilized (48%) though this was a significant increase from FY23-24
- Assembly Bill 109 (AB109) utilization dropped from 80% to 73% due to the prioritization of other funds
- SAPC spent 85% of the major funding sources, which was an increase from prior year



DMC Contract Special Programs



DMC Special Programs

- Additional programming for select provider agencies:
 - Value-Based Incentives
 - Courtesy Dosing
 - Reaching the 95% (R95) Enhanced Activities
 - Reimagining Youth SUD Engagement (RYSE) Initiative - Pillar I
 - Bridge Family Support
 - Field-Based Enhanced Benefit
 - Contingency Management
 - Child-Friendly Environments
- Paid out of DMC Contract
- Requires budgeting and cost allocation action(s)

- Funding allocation depends on provider agency's eligibility & expected participation(s)
- Contracts/Finance/Sage team are reviewing for possible contract adjustments
- Provider agencies must create a separate cost center for these activities and monitor overall utilization(s)
- SAPC Fiscal Reports have been update to capture these costs

[illegible]



Recovery Bridge Housing/Recovery Housing Capacity Update



Recovery Bridge Housing & Recovery Housing Needs

	Recovery Bridge Housing	Recovery Housing
GOAL	2000	200
CURRENT CAPACITY	1930	145
SPA EXPANSION FOCUS	1, 5, & 6	3, 5, & 6

- RBH/RH funding is set and subject to County/State budget changes
- Contact SAPC Systems of Care to discuss any expansion of RBH/RH
 - SAPC-SOC@ph.lacounty.gov
- Costs/expenditures prior to SAPC's approval are not eligible for reimbursement(s)



Drug Medi-Cal Billing Update



Recently Published Guidance

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Share of Cost
Informational Reference

OVERVIEW

This informational reference provides a high-level overview of Share of Cost (SOC) for Medi-Cal beneficiaries and how it impacts billing to SAPC. Share of Cost is a monthly dollar amount that some Medi-Cal beneficiaries must pay, or agree to pay, towards their medical expenses before utilizing their Medi-Cal benefits. A Medi-Cal beneficiary's SOC is similar to a private insurance plan's deductible; the SOC must be paid before Medi-Cal will pay for services rendered. The main difference being that private insurance deductibles are typically annual while Medi-Cal SOC is monthly.

Share of Cost is determined at the time of eligibility determination by the county department responsible for eligibility benefits and is based on the amount of income a beneficiary receives that is over "maintenance need" levels. "Maintenance need" is the amount of an individual's income that is used to cover living expenses, such as food, clothing, and housing. Medi-Cal beneficiaries pay their SOC directly to the provider of the service, not to Medi-Cal. For Los Angeles County, the Department of Public Social Services (DPSS) is responsible for SOC determination.

The SOC amount resets each month and is only needed to be spent down in months where care was received. DHCS refers to SOC "spend down" as the payments a beneficiary makes towards meeting monthly SOC. "Certifying" SOC per DHCS, refers to the process of reporting transactions paid by the patient towards SOC to Medi-Cal and reducing the SOC to \$0. Once a beneficiary's SOC is certified, Medi-Cal will begin paying services billed for the beneficiary.

Share of Cost should not be confused with cost-sharing, which is when a beneficiary is required to pay a set amount or percentage of each service received. With cost-sharing, both the patient and Medi-Cal pay a portion of the cost of the service.

Services billed to SAPC for a patient with unmet Share of Cost will be denied by DHCS and recouped by SAPC. Once Share of Cost is met, applicable services can be replaced to SAPC.

DETERMINING SHARE OF COST

A beneficiary's Medi-Cal information contains SOC amounts when viewed on the Medi-Cal Provider Portal, 271 Eligibility Response in Sage, or Automated Eligibility Verification System (AEVS). The eligibility verification message will indicate the SOC dollar amount the beneficiary must pay and whether it has been met.

Medi-Cal Provider Portal Eligibility Transaction

On the [Medi-Cal Provider website](#) eligibility response transaction response, the field "Spend Down Total Remaining" displays the SOC amount that is remaining for the beneficiary to pay before Medi-Cal will pay for services. The field "Spend Down Total Obligation", indicates the monthly SOC requirement. The image below is an example of a beneficiary's eligibility response showing \$1,100.00 remains to be paid towards SOC where the monthly SOC requirement amount is \$1,200.00.

SHARE OF COST INFORMATIONAL REFERENCE

Date: September 2025

Page 1 of 4

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Los Angeles County Department of Public Social Services

SAGE BILLING QUICK GUIDE

Provider Authorizations (PAuths)

OVERVIEW

This quick guide provides a high-level overview of the information required to support SAPC-contracted treatment provider agencies in billing for services delivered via Provider Authorization (PAuth). A PAuth is a pre-approved authorization for a certain set of HCPCS procedure codes and services that do not require authorization from SAPC Utilization Management before billing to SAPC. Each PAuth has a specific set of codes configured under the authorization which are the only codes allowed to be billed using that PAuth number.

PAuths are generally configured in Sage for a full fiscal year from July 1st through June 30th. Exceptions to this are newly added levels of care to an existing site or a new site configured in Sage; the start date of the authorization would be setup as the effective date based on the contract amendment. Each provider agency receives a PAuth for Recovery Services. Provider agencies contracted to provide CENS and/or Field Based Services will receive separate PAuths for these two services. Prior to FY 25-26 each provider agency also received a PAuth for Screening No-Admission; however, billing processes for screenings have been updated and are noted in the Screening No-Admission PAuth section of this guide.

This quick guide contains the following sections:

- How to Find PAuth Numbers in Sage
- How to Identify the Codes Configured Under a PAuth
- Recovery Services PAuth
- CENS PAuth
- Field Based Services Transportation PAuth
- Screening No-Admission PAuth

HOW TO FIND PAUTH NUMBERS IN SAGE

- Login to Sage-PCNX.
- Navigate to the **Provider Auth (PAuths)** widget, located in the Financial or Financial + Clinical views displayed as tabs at the top of the screen.
 - The **Provider Auth (PAuths)** widget is only available for Financial-related user roles in either the Financial or Financial + Clinical view tab dependent on user role.
- In the **Level of Care** field (the far-right column), the name of the PAuth is listed. Each PAuth is named for the services contained.
 - CENS = CENS
 - Recovery Services = Recovery Services and Recovery Services Perinatal
 - Screening No-Admission = Screening – No Admission
 - Field Based Services Transportation = FBS-Transportation

PAUTH BILLING QUICK GUIDE

Date: OCTOBER 2025

Page 1 of 5

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SAGE BILLING QUICK GUIDE

CENS DMC Services

OVERVIEW

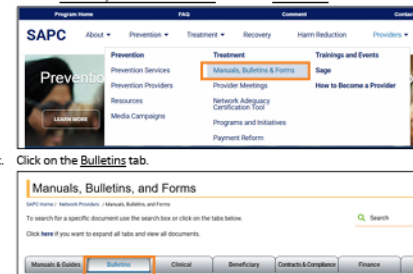
This quick guide provides information to support CENS provider agencies in billing for CENS services billable to Drug Medi-Cal (DMC). The information in this document is applicable for patients who have Medi-Cal. For Non-DMC patient services, provider agencies should bill the CENS staff hour rate as outlined in the [CENS Standards and Practices](#). CENS DMC billable services do not require a service authorization and are instead billed using the CENS Provider Authorization (PAuth) assigned to the agency.

This job aid includes the following sections:

- [Identifying Billable Codes on The Rates Matrix](#)
- [Services Covered Under the CENS Billable Codes](#)
- [Identifying CENS PAuth Numbers in Sage](#)
- [Billing CENS Services In Sage-PCNX \(Primary Sage Users\)](#)
- [Billing CENS Services via 837 \(Secondary Sage Users\)](#)

Additional information regarding CENS DMC billing and service requirements can be found in [SAPC Information Notice 23-13](#). Information regarding billing via PAuth can be found in the [Sage Billing Quick Guide: Provider Authorizations \(PAuths\)](#).

IDENTIFYING BILLABLE CODES ON THE RATES MATRIX

- Download the Rates Matrix from the [SAPC website](#).
 - Hover over the **Providers** menu tab on the SAPC homepage.
 - Click on **Manuals, Bulletins and Forms** under the Treatment sub-menu.
- Click on the **Bulletins** tab.
 

CENS SAGE BILLING GUIDE

Date: OCTOBER 2025

Page 1 of 5

FY 24-25 Treatment Billing Deadlines

Dates of Service
7/1-12/31/2024

Deadline
Friday, January 30,
2026

Dates of Service
1/1-6/30/2025

Deadline
Thursday, April 30,
2026

Prepare for Billing Deadlines



Don't wait until the last week to submit claims. Submit claims at least once month before the deadline to allow for any corrections needed for Local and State denials.



Review all currently denied services to ensure services have been corrected and replaced (as able).



Review available contract amount and request augmentation if necessary.



Open a Request Billing Assistance ticket via the Sage Help Desk Portal ASAP for any support needed to resolve outstanding FY 24-25 questions/technical assistance.

Billing Denial Resolution & Tutoring Lab

- The Finance DMC Fiscal Operations Section holds the Lab on the first Thursday of each month at 1:30 pm.
- It is **CRITICAL** for billing/finance staff from provider agencies to attend each month.
- During each Lab, the Section highlights:
 - Upcoming deadlines and reminders
 - Updates on current known billing issues and resolutions
 - Walkthroughs of how to resolve emerging/frequent denial reasons, complete forms accurately, etc.
 - Open Q&A for providers to ask general questions (no PHI allowed to be shared)

Billing Denial Resolution & Tutoring Lab (Continued)

- On average, approximately only 48% of provider agencies have had staff attend the Lab.
- Average monthly attendance is approximately 25% of provider agencies.
- Provider agencies that do not attend miss critical information presented.
- The DMC Fiscal Operations Section has been receiving questions from provider agencies on topics presented during the labs, as those staff/provider agencies did not attend.
- SAPC strongly recommends that at least one billing/finance member attends the meeting monthly and shares information as necessary with others.

Link to the Billing Denial Resolution & Tutoring Lab is found on the [SAPC Calendar](#). Registration is NOT required.

Admission Diagnosis Requirements

- The Department of Health Care Services (DHCS) requires services to contain the beneficiary's admission diagnosis.
 - Services billed to SAPC that do not contain the admission diagnosis cannot be billed to DHCS.
- Currently, the DMC Fiscal Operations Section staff work with provider agencies who have not completed the Diagnosis form appropriately to report the client's admission diagnosis.
- As of this week, services will be 1) denied automatically upon submission for "Eligibility Not Found/Verified in CalPM" or 2) recouped by SAPC for "No Admission Diagnosis Present" / CO 16 MA65.

Admission Diagnosis SAPC Resources

- [QI & UM Checklist of Required Documentation](#)
 - Provides information on what documents and forms are required when submitting a request for a service authorization. *Note that the document indicates the Sage form name as “Provider Diagnosis (ICD-10)”, however, the name in Sage-PCNX is “Diagnosis”.
- [DSM-5 Substance Use Diagnosis](#)
 - Provides a table of diagnoses applicable for SUD and the appropriate ICD-10 code to use for billing purposes.
- [Provider Manual v10.0](#)
 - Contains multiple references regarding allowable diagnoses.
- [Correcting Diagnosis Errors in Sage](#)
 - Instructions on how to correct common data entry or date errors for the Diagnosis form in Sage.