

**Los Angeles County Health Agency
Department of Public Health
Substance Abuse Prevention and Control**



What is a transitional payment and when is it appropriate?

- A transitional payment is an advance payment that requires SAPC approval and may be considered if it enables agencies to remain operational during the cross-over period from one fiscal year to another, a billing blackout period, or under extenuating circumstances.
- Each transitional payment request will be reviewed on a case-by-case basis, with considerations including but not limited to the financial viability of agencies, appropriate patient access to care, appropriateness of request, etc.

Transitional Payment Request Form

- In order to request a transitional payment, providers must complete the **Transitional Payment Request Form** in its entirety.
 - Incomplete Transitional Payment Request Forms will not be considered.
- **SAPC requires the Transitional Payment Request Form in order to collect information that will be used to inform its decision about whether or not to approve the transitional payment. Some of the questions and information included in the Transitional Payment Request Form are:**
 - Reasons for the request
 - Services provided and funding sources available to the agency
 - Is the agency maintaining a 60-day cash reserve?
 - Is the agency in default for any payments due?
 - Financial data

Transitional Payment Request Form (cont'd)

If the transitional payment is being requested outside a fiscal year transition or billing blackout period, additional documents will be required to justify the need for a transitional payment, including:

- Current year Financial Statements (Balance Sheet, Income Statement, Cash Flow Statement)
- Reconciled Bank Statements for the last six months
- Last two years audited/unaudited Financial Statements
- Recent Independent Auditor's Report

Transitional Payment Methodology

- **Transitional payments will be based on the average of three (3) prior months of paid services and will not exceed 1/12th of the contracted allocation amount.**
- SAPC approval decisions will be informed by the following:
 - Appropriateness of the requested amount
 - Rationale of the request
 - Financial feasibility of repayment

Transitional Payment Contact and Timeline

- Transitional payment requests should be requested through each agency's respective Contract Program Analyst (CPA).
- This request should include a completed Transitional Payment Request Form and if applicable, all required financial documents.
- The timeline for approvals/denials will be 9-15 business days after submission of a completed Transitional Payment Request Form.
 - Incomplete Transitional Payment Request Forms will not be considered.
- If an agency is expecting the need for a transitional payment, it is the agency's responsibility to submit a timely and completed request.