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SAPC INFORMATION NOTICE 26-02

January 28, 2026

TO: Los Angeles County Substance Use Disorder
Contracted Treatment Provider Agencies

FROM: Gary Tsai, M.D., Bureau Director 
Substance Abuse Prevention and Control Bureau

SUBJECT: **COVERAGE FOR CLIENTS WHO ARE INELIGIBLE FOR FEDERALLY FUNDED
SUBSTANCE USE DISORDER TREATMENT SERVICES**

The Los Angeles County Department of Public Health, Substance Abuse Prevention and Control Bureau (SAPC) is committed to ensuring that all eligible County residents have access to quality substance use disorder (SUD) treatment services. SAPC is also committed to complying with all relevant regulations related to use of federal funding and federal Medicaid/Medicare eligibility. To support both goals, SAPC is releasing this Information Notice (IN) to confirm existing processes for undocumented individuals who are not eligible for federally funded services, as indicated by the U.S. Department of Health and Human Services (HHS) [recently](#).

This IN describes the California Outcomes Measurement System (CalOMS), authorization, financial eligibility, and contract monitoring processes for the clients who qualify under the SAPC new funding/guarantor "Client Ineligible for Federal Programs (CIFP)." CIFP is specifically for clients with an at-risk immigration status (formerly known as My Health LA [MHLA] eligible) whose treatment cannot be funded with federal dollars. For undocumented clients enrolled in the Drug Medi-Cal state program, providers must follow the regular authorization, Financial Eligibility, and billing processes established by SAPC.

SAPC treatment provider agencies need to refer to existing published resources to successfully follow all required processes needed to seek authorizations, treat and bill for clients. The list below provides helpful links; however, more detailed information is available on the SAPC website:

- [Data Collection User Guide](#)
- [Sage Billing Trainings](#)
- [Provider Manual 10.0](#)

As stated above, CIFP treatment services and associated costs cannot be supported with federal funds. Instead, SAPC will need to use local dollars to continue to support provider agencies serving this population. Provider agencies must ensure appropriate use of funds that meet the mission and goals of these efforts and establish processes that prevent Fraud, Waste and Abuse (FWA). SAPC will monitor service and utilization data and any confirmed instance of FWA will result in recoupments and possible contract actions.

Entering Data in CalOMS

Provider agencies must conduct regular and complete assessments of client eligibility to determine what County programs the client qualifies for and only select “Client Ineligible for Federal Programs” if no other options are appropriate. Clients receiving treatment services under CIFP must be appropriately identified in CalOMS to ensure services are supported with the appropriate funding streams and for monitoring purposes. Identify CIFP clients in CalOMS as follows:

- Under “Is the client a Medi-Cal beneficiary (eligibility determined)?”, select “**NO**”
- Under “Other funding programs” select “**Client Ineligible for Federal Programs**”

Creating and Submitting Authorization for Treatment

CIFP funded services must also be identified in treatment authorizations and will be verified by SAPC’s Utilization Management (UM) team. When requesting an authorization for these services, providers should identify CIFP clients in the authorization process by selecting:

- “**Non-Drug Medi-Cal**” under the “Funding Source Authorization Is For” field

As with any other authorizations, SAPC’s UM team verifies the client’s information to ensure consistent and accurate use of Non-Drug Medi-Cal (Non-DMC) funding sources.

Financial Eligibility

“Client Ineligible for Federal Programs” must be selected as the guarantor if it is deemed to be the most appropriate funding source. It is critical that provider agencies follow this process to ensure accurate data collection and to avoid claims being inappropriately routed to non-County entities. Identify CIFP clients when completing the Financial Eligibility form as follows:

- Under the Guarantor #, select the option titled “**Client Ineligible for Federal Programs (5)**”
- Enter “**CIFP**” in the Subscriber Policy # field
 - NOTE: It is only allowable to select CIFP if the client is not eligible for any other non-federal County program (e.g., AB 109). This step is critical to support provider agencies and SAPC monitoring efforts, and SAPC will consider rescinding the CIFP option if it is not used appropriately by agencies.

Accurately completing the Financial Eligibility form for each treatment admission is essential to ensure that only appropriate funds are used for reimbursement. Failure to accurately complete this section can result in recoupments for all associated services provided.

Monitoring and Compliance

Quality assurance and improvement of treatment services is a shared responsibility for both SAPC and contracted provider agencies. Leveraging data from Sage is essential to establishing and monitoring service metrics which may identify areas of strength and/or needed improvement. Additionally,

establishing an internal quality assurance plan is a contractual requirement and an important tool to ensure clinically effective care and prevent FWA.

Provider agencies must periodically use the “Financial Eligibility for Providers” view in Sage’s KPI Dashboards 2.0 to review the number of clients funded under CIFP. As part of this review, provider agencies must at a minimum include the following:

- Confirm staff understanding of the eligibility and exclusion criteria for County programs, including CIFP.
- Ensure that CIFP is only used as needed and only after other options have been eliminated.
- Verify that data for clients funded under CIFP is entered as described in this IN and relevant SAPC guidelines to avoid unintended data sharing and/or use of restricted funds.

SAPC’s Contracts and Compliance Division conducts ongoing monitoring activities to ensure the appropriate utilization of CIFP funded treatment services. Compliance activities focus on prevention and response to any instance(s) of FWA and include but are not limited to:

- Review data to identify the frequency and quantity of CIFP funded services.
- Interview provider agency staff to verify the understanding of the use of Non-DMC and County programs, including CIFP.
- Interview clients to ensure they meet the eligibility criteria for County programs.

Technical Assistance and Support

SAPC is committed to supporting provider agencies ensure they successfully leverage all opportunities to meet the SUD treatment needs of the communities they serve, including ensuring clients who are eligible for treatment services are not turned away. SAPC has various ongoing trainings and technical assistance opportunities to increase provider agencies’ capacity and understanding of processes:

- [SAPC Learning & Network Connection Platform](#)
- [SAPC Training Calendar](#)
- [Billing & Denial Resolution Tutoring Lab](#)

In addition to the links above, you may contact your assigned Contract Program Auditor for clarification and guidance on your SAPC contract(s) or with any questions or concerns on this notice.

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