

To: Prohibited Entities & IPA Network
From: IEHP – Compliance
Date: August 4, 2026
Subject: **DHCS APL 26-013 – H.R.1 Federal Payments to Prohibited Entities – Important Update: End of One-Year Restriction on Federal Payments**

On June 23, 2026, the California Department of Health Care Services (DHCS) issued **All Plan Letter (APL) 26-013 H.R. 1 – Federal Payments to Prohibited Entities – Important Update: End of One-Year Restriction on Federal Payments**.

The purpose of this APL is to provide updated guidance to Medi-Cal managed care plans (MCPs) regarding the handling of federal payments to providers who were *previously* identified as “Prohibited Entities” under Section 71113 of H.R.1.

The updated guidance specifically applies to claims or encounters with DOS on or after July 4, 2026.

Key Points from APL 26-013:

- Effective July 4, 2026, the one-year federal payment restriction on “Prohibited Entities” under H.R. 1 Section 71113 ends.
- Medi-Cal and Family PACT providers that meet the definition of a “Prohibited Entity” may resume submitting claims and encounters for Medi-Cal covered services rendered to members **with DOS July 4, 2026 and onwards**.
 - These must be processed and paid per your normal claims procedures.
- For claims/encounters with DOS from **July 4, 2025 to July 3, 2026**, refer to [APL 25-011](#) (last revised September 17, 2025) and any applicable updates

IEHP is currently reviewing DHCS’s updated guidance to ensure our claims and encounter **processing** aligns with these requirements. We are verifying that coverage continues uninterrupted and that claims for services rendered by impacted providers are processed appropriately.

Additional **information** will be made available to IPAs and providers identified as Prohibited Entities, including instructions to support continued compliance with APL 25-011 for dates of service through July 3, 2026, as well as adherence to the updated requirements outlined in APL 26-013.

Action Required:

- IPAs and providers identified as Prohibited Entities must continue to follow the requirements outlined in APL 25-011 for dates of service from **July 4, 2025, through September 10, 2025. Beginning September 11, 2025 to July 3, 2026, restrictions limited services to abortion-related services.**
- For dates of service **on or after July 4, 2026**, providers must adhere to the updated guidance in APL 26-013 and resume standard claim and encounter submission processes in alignment with MCP requirements, **without service limits**.
- IPAs should ensure all downstream subcontractors and network providers are aware of these effective dates and update any internal processes or communications accordingly

If you have any questions, please contact the IEHP Provider Call Center at (909) 890-2054, (866) 223-4347 or email ProviderServices@iehp.org

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