Frequently asked questions about APL 25-011
H.R. 1 – Federal Payments to Prohibited Entities

The Department of Health Care Services (DHCS) issued All Plan Letter (APL) 25-011: "H.R. 1 – Federal Payments to Prohibited Entities" to advise managed care plans (MCPs) such as Blue Shield of California Promise Health Plan on the handling of payments to Medi-Cal and Family Planning, Access, Care, and Treatment Program (Family PACT) providers who may be impacted by H.R. 1. The APL also addresses related legal actions and their effect on payments to these providers.

*Please note that because the legal situation is evolving, the guidance issued in this APL may change.

We have compiled answers to the following list of questions that we anticipate will be asked by our network providers about APL 25-011 and federal payments to prohibited entities. If you do not find an answer you are seeking, please refer to the contact information at the end of this document.

1. **What is the effective date or time period for the legislation?**
   H.R. 1 covers the 1-year period beginning on July 4, 2025. Due to legal actions, implementation of the law was stayed for some providers during certain time periods. Please refer to the chart below, which was provided in the September 17, 2025 update to APL 25-011.

Claim/Encounter submission instructions for Providers who meet the definition of "Prohibited Entity":		
DOS	***Abortion Services***	***Non-Abortion Services***
On or before July 3, 2025	***Submit claims***	***Submit claims***
July 4, 2025 through September 10, 2025	***Submit claims***	*Providers **who obtained** relief under either the July 21 or July 28, 2025 PIs:* ***Submit claims*** *Providers **who did not** obtain relief under either the July 21 or the July 28, 2025 PIs:* ***Do not submit claims***
On or after September 11, 2025	***Submit claims***	***Do not submit claims***

TBSP16030 (11/25)
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2. **What providers are considered "prohibited entities?"**
   According to APL 25-011, which quotes H.R. 1, section 71113:

   > "Prohibited Entity" is defined as follows: "The term ''prohibited entity'' means an entity, including its affiliates, subsidiaries, successors, and clinics—
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   > (A) that, as of the first day of the first quarter beginning after the date of enactment of this Act—
   >
   > (i) is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code;
   >
   > (ii) is an essential community provider described in section 156.235 of title 45, Code of Federal Regulations (as in effect on the date of enactment of this Act), that is primarily engaged in family planning services, reproductive health, and related medical care; and
   >
   > (iii) provides for abortions, other than an abortion—
   >
   > (I) if the pregnancy is the result of an act of rape or incest; or
   >
   > (II) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed; and
   >
   > (B) for which the total amount of Federal and State expenditures under the Medicaid program under title XIX of the Social Security Act for medical assistance furnished in fiscal year 2023 made directly, or by a covered organization, to the entity or to any affiliates, subsidiaries, successors, or clinics of the entity, or made to the entity or to any affiliates, subsidiaries, successors, or clinics of the entity as part of a nationwide health care provider network, exceeded $800,000."

   Blue Shield Promise identifies prohibited entities according to the list provided by DHCS.

   If providers feel they are a "prohibited entity," as defined in H.R. 1, we advise that they discuss next steps with their legal counsel.

3. **How does H.R. 1 affect how Medi-Cal covers services offered by prohibited entities?**
   H.R. 1 forbids state plans from using federal funds to make payments to prohibited entities for items and services furnished during the 1-year period beginning on July 4, 2025.

   Because procedural and medication abortions are already entirely covered and reimbursed by DHCS with state general funds, they will continue to be covered by Medi-Cal.

   However, non-abortion services provided by prohibited entities may not be covered by Medi-Cal, unless they fell under one of the legal stays. (See chart on page 1.)

4. **Will Blue Shield Promise make payments and process claims or encounters that fall outside of the submission allowances described in APL 25-011?**
   No, Blue Shield Promise will not make payments or process claims or encounters for non-abortion services that fall outside of the submission allowances described in APL 25-011.

5. **Where should members go to receive non-abortion services that are no longer covered at clinics that have been identified as prohibited entities?**
   Members may ask their Primary Care Provider (PCP) to refer them to appropriate specialists who are not prohibited entities. They may also use the Find a Doctor tool to look for OB-GYNs in their area.

Blue Shield Promise Medi-Cal members have freedom of choice in obtaining certain specified services such as family planning, HIV testing, and care for sexually transmitted diseases (STDs). These services are self-referable both in-network and out-of-network. If the member chooses to self-refer to any willing provider (who is not a prohibited entity), including out-of-network providers, these services will be covered without pre-authorization.

6. **How will continuity of care be managed for non-abortion services that members have been receiving from prohibited entities?**
   Members requesting continuity of care will still need to receive non-abortion services from providers who are not prohibited entities.

7. **What if the member needing non-abortion services is a minor?**
   Please remember to follow privacy and consent requirements for minors who are requesting services.

8. **Do claims and encounters for abortion services need to be submitted differently now?**
   Yes, claims and encounters for abortion services should be submitted separately from all other services that are not directly related to abortion.

   Abortion procedure codes: 59840, 59841, 59850-59852, 59855-59857, S0190, S0191, and S0199

9. **What if I need to file a dispute or grievance?**
   If you need to dispute a claim, please refer to the Claim Issues & Disputes page on the Provider Connection website, here: Claim issues & disputes | Blue Shield of CA Provider

   You can find detailed instructions on how to file a dispute here: Submit disputes online and check status

10. **Who can I contact with questions about payments to prohibited entities?**
    Please contact our Provider Customer Service team via Live Chat after logging in at blueshieldca.com/provider or call **(800) 468-9935** from 6 a.m. to 6:30 p.m., Monday through Friday.