

## DHCS All Plan Letter Summary

To: Medi-Cal network participants

July 2026

Subject: All Plan Letter 26-013: H.R. 1 – Federal Payments to Prohibited Entities – Important Update:  
End of One-Year Restriction on Federal Payments

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The Department of Health Care Services (DHCS) recently 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." We are sharing a summary of this APL with you to ensure you are aware of the information, and you can apply the information to your practice or facility operations, where appropriate.

APL 26-013 confirms the end of the H.R. 1 restriction period effective July 4, 2026, which affected payments to certain Medi-Cal and Family Planning, Access, Care, and Treatment Program (Family PACT) providers.

### APL summary

- H.R. 1 forbid 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.
- Effective July 4, 2026, the one-year restriction on federal payments to "prohibited entities" under H.R. 1 Section 71113 will no longer be in effect.
- These providers can resume submitting claims or encounters for all Medi-Cal covered services rendered to members with dates of service on or after July 4, 2026.
- See [APL 25-011](#) for the definition of "prohibited entities" and additional information about the ban.
- Please note that both preliminary injunctions referenced within APL 25-011 have since been vacated and the cases dismissed.

This summary is only meant as a brief description of the APL. Please see the APL itself for additional background and the complete requirements. The full text of APL 26-013 may be found at this URL:

<https://www.dhcs.ca.gov/wp-content/uploads/2026/06/APL26-013.pdf>

(Links to the DHCS.ca.gov website will take you off the Blue Shield Promise website.)

If you have questions about the topics covered in this APL, please contact our Provider Customer Service team via Live Chat after logging in at [blueshieldca.com/provider](https://blueshieldca.com/provider) or call **(800) 468-9935** from 6 a.m. to 6:30 p.m., Monday through Friday.