

PROVIDER Update



REGULATORY | JUNE 12, 2026 | UPDATE 26-751 | 2 PAGES

TRI and SB 94 Payments: Pay Accurately and On Time

Interest applies to late payments – action required now

Recent reviews have identified **compliance gaps** in Targeted Rate Increase (TRI) payments and California Senate Bill (SB) 94 payments, including inaccurate payments, delays and failure to apply required interest. These issues do not meet requirements under Department of Health Care Services (DHCS) All Plan Letter (APL) 25-012 and SB 94, and **must be corrected immediately**. Continued non-compliance may result in **corrective action and additional oversight**.

Action required

Review and correct all TRI and SB 94 payments to ensure they are accurate, complete and made within required timelines.

If payments are late or incorrect, **correct them and apply interest, as required**.

Failure to act may result in corrective action and additional oversight.

What PPGs must do

Participating physician groups (PPGs) and delegated entities must:

- **Pay the full required TRI rate** for eligible services.
- Meet SB 94 payment expectations for accuracy and timeliness.
- Adhere to timely payment standards for clean claims.
- **Apply interest when required.**
- Oversee subcontractors and downstream entities for compliance with payment accuracy and timeliness.
- **Maintain documentation that demonstrates compliance, including:**
 - Applied TRI and SB 94 rates.
 - Payment calculations, timing and distribution.
 - Interest payments.
 - Downstream oversight activities.

THIS UPDATE APPLIES TO:

- Participating Physician Groups
- Behavioral Health Providers

LINES OF BUSINESS:

- Medi-Cal
 - Amador
 - Calaveras
 - Inyo
 - Los Angeles
 - Mono
 - Sacramento
 - San Joaquin
 - Stanislaus
 - Tulare
 - Tuolumne

PROVIDER SERVICES

Medi-Cal (including CS and ECM providers)

– 800-675-6110

Behavioral Health providers –

844-966-0298

PROVIDER PORTAL

provider.healthnetcalifornia.com

Key requirements

TRI and SB 94 requirements apply across all payment arrangements:

- **Accuracy:** Payments must reflect full required rates and applicable fee schedules.
- **Timeliness:** Payments must meet required clean claim timelines, including delegated and pass-through arrangements.
- **Interest:** Interest must be paid when timelines are not met, regardless of where delays occur.

Why this matters

TRI funding is issued with the expectation that payments are distributed accurately and within required timelines. Reviews continue to identify the following issues, which may trigger additional oversight and corrective actions:

- Delays after receipt of TRI funds.
- Payments below required TRI rates.
- Missed interest payments.
- Inconsistent application of SB 94 requirements.

Plan oversight

If providers report payment concerns, Health Net* will validate compliance.

Health Net may:

- Issue a **questionnaire** to assess understanding and payment processes.
- Request supporting documentation.
- Conduct follow-up reviews or investigations.
- Take other appropriate action.

Non-compliance

Failure to meet requirements may result in:

- Interest owed to providers.
- **Corrective action under DHCS APL 25-012.**
- Additional oversight or enforcement, including a Health Net-issued corrective action plan.

Resources

The information in this update is based on DHCS APL 25-012 at <https://bit.ly/APL25-012>.

Below are links to additional information:

- TRI FAQs – <https://bit.ly/TRI-FAQs>
- TRI provider communications – <https://bit.ly/TRI-Communications>

Need help? Contact us

If you have questions regarding the information contained in this update, contact the Health Net Provider Services Center as listed in the right-hand column on page 1. Behavioral health providers can call 844-966-0298.