Provider Bulletin

Molina Healthcare of California
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Skilled nursing facilities – long term care benefit under managed care – APL 26-010

This is an advisory notification to Molina Healthcare of California (MHC) network providers applicable to the Medi-Cal line of business.

This notification is based on All-Plan Letter (APL) 26-010, which can be found in full on the Department of Health Care Services (DHCS) website.

What you need to know:

BACKGROUND

DHCS issued APL 26-010, which supersedes APL 24-009, to clarify ongoing managed care requirements for skilled nursing facilities (SNF) long-term care services, including transportation, pharmacy benefit responsibilities, coordination of benefits, continuity-of-care, bed-hold protections, and network access standards.

POLICY

MHC is responsible for ensuring medically necessary SNF long-term care services, including authorization, care coordination, continuity of care, network adequacy, transportation, and payment requirements. With statewide implementation complete, APL 26-010 establishes ongoing operational requirements for managed care plans.

The APL reinforces requirements related to prior authorization, bed holds, PASRR, provider reimbursement, and pharmacy billing. Drugs billed on pharmacy claims are generally covered through Medi-Cal Rx, while drugs supplied by the SNF and billed on institutional or medical claims are generally MHC's responsibility.

MHC will ensure timely access to an appropriate SNF level of care and authorize out-of-network placement when network capacity cannot meet applicable timely access standards. MHC will also coordinate covered transportation, including NEMT and Non-Medical Transportation, and avoid unnecessary delays for covered hospital-to-SNF transfers.

MHC will support continuity of care and comply with applicable bed hold, hospital transfer, and readmission requirements when a member is temporarily transferred to an acute care hospital. MHC will also follow applicable continuity-of-care requirements under APL 23-022, including member and provider notifications, Notices of Action when continuity of care is denied, and retroactive approval obligations when applicable.

POLICY CONTINUED:

MHC will coordinate benefits with Medicare and other health coverage programs consistent with DHCS requirements, including cost avoidance and post-payment recovery, while ensuring Other Health Coverage (OHC) issues do not delay medically necessary services.

SNFs must comply with applicable PASRR requirements and maintain documentation supporting authorization, claims submission, and reimbursement.

Bed Holds

Molina does not require prior authorization for bed hold requests and will not process such requests in accordance with DHCS APL 26-010. Managed Care Plans (MCPs) must permit members to return to the same skilled nursing facility (SNF) where they previously resided, consistent with Medi-Cal leave of absence and bed hold requirements outlined in Title 22 CCR Sections 51535 and 51535.1.

Once SNF services have been authorized, MCPs may not require a separate authorization for a bed hold, provided the member returns to the same SNF at the same level of care following an acute hospital stay of seven days or less.

When this is happening:

The APL was issued on June 10, 2026, and reflects requirements that have been in effect under CalAIM beginning January 1, 2023, while extending applicable SNF reimbursement provisions through December 31, 2026

Provider Action

Providers should continue to follow MHC processes for authorization, care coordination, billing, and reimbursement of SNF long-term care services.

- SNF residents remain enrolled in managed care, and the transition phase is complete; ongoing managed care requirements now apply.
- Providers should ensure compliance with applicable DHCS requirements while coordinating with MHC to support timely access to medically necessary care for members.

Providers should submit complete and accurate clinical and authorization documentation, including required PASRR documentation, and promptly communicate any changes in a member's level of care or transfer to an acute care hospital.

- SNFs must notify members of bed-hold rights.
- Plans cannot require a separate authorization for an approved bed hold when the member returns to the same facility and level of care under applicable regulations.
- Facilities should help members understand and request continuity of care when applicable.
- Plans may authorize out-of-network placements when necessary to meet access requirements.
- Plans must notify both members and facilities regarding continuity-of-care decisions.

What if you need assistance?

If you have any questions regarding the notification, please contact your Molina Provider Relations Representative.