To:	**BHS Contracted Service Providers**
From:	**Behavioral Health Services**
Date:	**November 17, 2026**
Title	**BHSA – Individual Service Level (ISL) Encounter Reporting**

See below for an update on the Behavioral Health Services Act (BHSA) mandate requiring Individual Service Level (ISL) Encounter Reporting.

ISL reporting will provide a unified countywide and statewide view of non-Medi-Cal behavioral health services delivered directly to clients by county behavioral health systems and provider networks. Consistent with the BHSA reporting requirements, all BHS-funded programs are required to report ISL encounters provided they meet the criteria below.

Beginning January 1, 2027, BHS Contracted Service Providers must track and report ISL encounters via new codes created by the Department of Health Care Services (DHCS) for services and expenses that are not covered by Medi-Cal and would not be billed to Medi-Cal, regardless of a client's eligibility status.
ISL reporting is for services or expenses that are:

- Connected to an identifiable individual
- Not claimable or captured through a Medi-Cal claiming pathway
- Delivered through the BHS provider network (County operated and contracted) and tied to a cost incurred by BHS via any of our funding sources

ISL is not a new reimbursement pathway, does not generate additional revenue, or create a claim to DHCS. ISL reporting will give counties improved insight into the scope, quality, and consistency of behavioral health services across California. BHS will continue to provide updates as we work to operationalize adherence to this new requirement.

Additional information can be found at the sites linked below:
BHSA Policy Manual - ISL
DHCS Individual Service Level Encounter Reporting

For More Information:
Send an email to QIMatters.BHS@sdcounty.ca.gov