

Subject: Provider Rate Updates (October 2026)

Dear Provider Partner,

As a reminder, provider rate adjustments are typically determined through a comprehensive annual analysis conducted during the fourth quarter. These decisions are informed by rate benchmarking, medical cost trend analysis, and state and county rate-setting processes to support alignment, sustainability, and continued access to quality care.

We are pleased to share updates regarding our most recent Provider Rates. Thank you for your ongoing partnership and for the important work you do every day to support the individuals and communities we serve.

Bucks, Montgomery, Lehigh, and Northampton Counties

The following sustained rate increases were implemented effective **July 1, 2026**, through fee schedule amendments:

- **Assertive Community Treatment (ACT)** providers: **21% increase** for Tier 4 members
- **ASAM-aligned providers: 9% retrospective rate increase**, reducing to **4.5% effective January 1, 2027**
- **IBHS/ABA Value-Based providers: 3% increase plus a 30% increase to assessment codes**

In addition, it has been determined that there is funding available for **retrospective 2026 rate increases** that will be issued as lump-sum payments prior to **December 31, 2026**, with a focus on prioritized community-based, non-24-hour levels of care.

- For **Lehigh** and **Northampton Counties**, these lump sum increases will also include:
 - Mental Health Acute Inpatient Services

Immediate Next Steps: November and December

- Retrospective rate increases for 2026 will be paid to eligible providers in the form of lump sum payments. These will disperse to organizations before December 31, 2026.

- These payments will be made to a member ID of all 5's with the county prefix as follows:

BUC=Bucks, LEH=Lehigh, MNT=Montgomery, NOH=Northampton

- Impacted providers will receive payment, with at least one explanation of benefits that the following fields have in it:

Rendering Provider Name	Rendering MIS	Tax ID	Lump Sum	Member ID	Proc #	Modifier 1	Modifier 2
			\$	BUC555555555			

Cambria County

Based on our analysis of medical expenditures relative to capitation revenue, additional retrospective rate increase lump sums for 2026 are not currently supported.

Somerset and Bedford Counties

Network-wide rate increases were implemented at transition and go-live with **Magellan Behavioral Health of Pennsylvania** on **November 1, 2025**.

Our Ongoing Approach and 2027 Rates

BHSSBC is committed to supporting our provider network and are exploring a sustained increase across all levels of care to be effective January 1, 2027.

Across all counties, our rate-setting strategy continues to prioritize sustainable provider reimbursement, with a strong emphasis on supporting annual cost-of-living increases and maintaining access to high-quality services across levels of care.

Additional analysis on 2027 state capitation rates is occurring. Because each county is a separate and distinct contract with the state and Primary Contractor, should additional opportunities for future rate adjustments arise, Magellan and the respective counties will notify impacted providers.

For additional information regarding our rate-setting methodology, please refer to the [PAHC Provider Rate Increase Process](#).