

Provider Rates and Program Expansions Update (As of January 12, 2026)

We are writing to share updates regarding our most recent [Provider Rates and Program Expansion Plan](#) as we close out our analysis of medical spend and capitation rates. Thank you for your continued partnership and commitment to the individuals we collectively serve.

2025 Updates on Medical Spend by County and 2026 Capitation Rates

- **Bucks, Montgomery, Lehigh, Northampton Counties:** 2025 retrospective rate increases were paid in the form of lump sum payments prior to December 31st to prioritized levels of care/services of community-based, non-24-hour levels of care. Bucks County and Montgomery County were also able to include mental health Acute Inpatient Level of Care and Children's Residential Treatment Facility Level of Care.
- The 2025 retrospective rate increases will continue into 2026 for **Bucks, Montgomery, Lehigh, and Northampton Counties**. These contract updates will be Silence is Acceptance and because the retrospective rate increases were paid as one-time payments, the effective dates of the continued increases will be 1/1/2026. Claims resubmissions for dates of service on or after 1/1/2026 will NOT be required by affected providers; Magellan will process claims for 2026 dates of service at the continued 2025 retrospective rates.
- **Effective 1/1/2026, Cambria County** prioritized levels of care will receive a rate increase. The prioritized levels of care/services are community-based, non-24-hour levels of care. These updates will be Silence is Acceptance and the effective dates of the sustained increases will be 1/1/2026. Claims resubmissions for dates of service on or after 1/1/2026 will NOT be required by affected providers. There is no retrospective 2025 rate increase for Cambria County.

Program Expansion

- Requests for expansion should follow the standard request process at [PAHC Provider Expansion](#). If you have already submitted an application for expansion, there is no need to complete another application as we retain all applications on file. Please know Magellan continues to evaluate the network for adequacy and geographic needs. Where an immediate need is identified, we will proactively reach out to providers. Please note that we will continue to regularly review and prioritize both new and existing provider requests for network entry or expansion. Decisions will be individualized by each county.

Additional 2026 Rate Increases

- Generally, provider rate adjustments are determined through an analysis of our rates by level of care/service in the fourth quarter of the year for the upcoming year. Results of our analysis **combined with state and county rate setting processes** drive our annual strategy for each county and level of care and must be sustainable. The priority for rate increase decisions is focused on implementing annual cost of living increases across full levels of care.
- For additional information regarding our Provider Rate Increase Process please go here: [PAHC Provider Rate Increase Process](#).