NEW YORK STATE | Office of Mental Health

KATHY HOCHUL
Governor

ANN MARIE T. SULLIVAN, M.D.
Commissioner

MEMORANDUM

To: Mainstream Medicaid Managed Care Plans, Health and Recovery Plans (HARPs), HIV Special Needs Plans (HIV SNPs), Medicaid Advantage Plus (MAP) Plans

From: New York State (NYS) Office of Mental Health (OMH)

Date: August 17, 2026

Subject: Mandated Rate Update: Assertive Community Treatment (ACT) Reimbursement and Billing Changes Effective July 1, 2026 and January 1, 2027

Dear Health Plan Administrators,

The purpose of this memorandum is to notify Mainstream Medicaid Managed Care Plans, Health and Recovery Plans, HIV Special Needs Plans, and Medicaid Advantage Plus Plans (collectively referred to as "MMCPs" herein) and ACT providers of the following rate enhancements and billing changes. This is to allow MMCPs and ACT providers adequate time to implement the necessary configurations and adjustments needed to accommodate the statutorily required payment of government rates and billing changes based on the effective dates below.

I. ACT Rate Enhancements for Adult and Youth

Effective July 1, 2026, Adult and Youth ACT providers will receive rate enhancements. Rate enhancements vary by team region, demographic, and licensed capacity due to rebasing of ACT model cost assumptions and are inclusive of the State Fiscal Year (SFY) 2026-27 Targeted Inflationary Increase (TII) of 2.7 percent. These rate enhancements will be reflected in premiums upon State and Federal approvals. NYS will issue an additional notification to MMCPs and ACT providers upon Division of Budget (DOB) approval.

Please see the OMH Medicaid Reimbursement Rates webpage for the specific ACT rate enhancements by population and licensed capacity.

II. ACT Billing Changes for Adult and Youth: New Rate Codes

OMH has invested and continues to invest in the expansion of ACT teams to address unmet needs in areas across NYS. As the number of ACT teams continues to grow, OMH understands the importance of streamlining billing for providers and MMCPs to prevent barriers in payment where possible. In support of this, OMH is establishing new rate codes, procedure codes, and modifiers for Adult and Youth ACT teams to help distinguish different capabilities. These distinct rate code, procedure code, and modifier combinations will allow programs to bill for:

1. A specific population (Adult or Youth ACT Teams); and
2. A specific slot team for a full, partial, or inpatient service.
    a. Adult ACT Capacity Slots: 100, 68, 48, 36
    b. Youth ACT Capacity Slots: 68, 48, 36, 28

Please see Appendix A- ACT Billing Changes for a crosswalk of current rate codes to new rate codes for Adult and Youth ACT Teams.

Beginning January 1, 2027, Adult and Youth ACT teams will no longer bill using rate codes 4508, 4509, 4511, 4513, 4514, or 4515 or their corresponding procedure codes and modifiers. MMCPs and ACT providers must configure their systems to accept the new rate codes, procedure codes, and modifiers, as outlined in Appendix A- ACT Billing Changes. MMCPs and ACT teams must ensure that their systems are configured to comply with these billing changes for dates of service on January 1, 2027, and thereafter.

The Assertive Community Treatment (ACT) - Regional Rate file on the OMH Medicaid Reimbursement Rates page will be updated shortly to reflect these rate code changes.

III. Additional MMCP Requirements

1. ACT Policies and Procedures and Staff Training: MMCPs must ensure all applicable policies and procedures are updated, and provider relations staff, billing/claiming, and other relevant staff are trained on the new rate codes, procedure codes, and modifiers to ensure they can assist providers as needed.

2. Network and Contracting: MMCPs must update/amend existing contracts with ACT providers, if applicable.

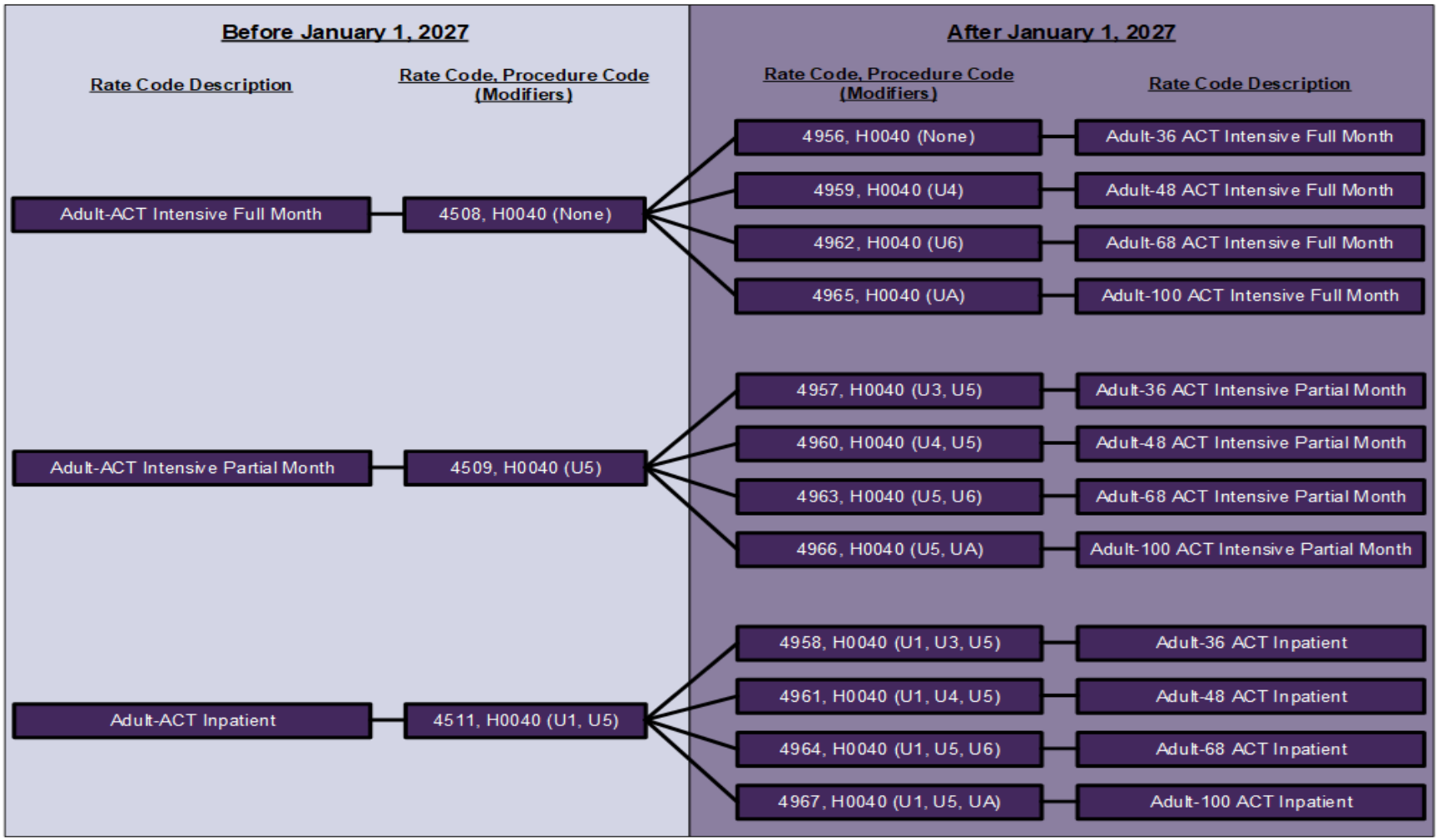
   Note: As a reminder, per the Medicaid Managed Care Model Contract provision 21.19, MMCPs must contract with a minimum of two Adult ACT providers per county for urban counties, and two per region for rural counties. MMCPs must contract with a minimum of two Youth ACT providers per county for urban counties or two per region for rural counties.

3. Claim Testing and Technical Assistance: MMCPs must offer claims testing to ACT providers to ensure claims will be processed and paid appropriately as required and must offer technical assistance as needed.

Note: This document is only being transmitted electronically. No hard copy will be forthcoming. If you have any questions regarding these changes, please contact OMH Managed Care by phone at 518-402-2822 or by email at BHO@omh.ny.gov (MMCP inquiries) or OMH-Managed-Care@omh.ny.gov (provider inquiries).

Appendix A: ACT Billing Changes

Adult ACT Billing Changes Before and After January 1, 2027



Youth ACT Billing Changes Before and After January 1, 2027