Provider Notice

From: Magellan Healthcare
Subject: ACT billing updates: Encounter claims and member engagement requirements

Overview

Magellan is implementing an update to billing requirements for Assertive Community Treatment (ACT) services to support encounter reporting and align with program expectations.

Effective Nov. 1, 2026, providers must submit encounter claims for all services delivered as part of the ACT bundle.

What providers should know

- Each individual service provided within the ACT bundle must be billed as an encounter claim.
- All ACT encounter claims must include the Q2 modifier in the first modifier position.
- Encounter claims must be billed at $0.01. These claims are for reporting purposes only and will not be reimbursed.

Reimbursement for ACT services

- Continue to bill the ACT per diem code H0040 with modifier Q2 for daily reimbursement, as currently practiced.
- This per diem remains the only reimbursable component of the ACT service bundle.

Example
If an ACT member receives psychotherapy on Nov. 15, 2026, the provider should bill:

- **11/15/2026 - H0040 Q2**
  ACT per diem claim for reimbursement
- **11/15/2026 - 90832 Q2**
  Encounter claim for reporting purposes

Both the ACT per diem claim and the encounter claim must be submitted for the date of service on which the service was provided and must include the Q2 modifier. These services may be billed on the same claim or on separate claims.

Additional billing guidance

- Continue to bill services not included in the ACT bundle as you do today.
- Ensure billing staff are aware of these requirements to avoid claim submission issues.

- IDHW has provided guidance that billing for the ACT daily rate while a member is incarcerated is not allowed.

Questions?

Please contact Magellan at IdahoProvider@MagellanHealth.com.