PerformCARE®
8040 Carlson Road
Harrisburg, PA 17112

Provider Notice

To:	**SU Residential, IOP and Partial Hospitalization Providers**
From:	**PerformCare**
Date:	**October 15, 2026**
Subject:	**SU 26 101: Discontinuation of ASAM Minimum and Rate Setting Requirements**

The Pennsylvania Department of Human Services, Office of Mental Health and Substance Abuse Services (OMHSAS), has announced that the ASAM State Directed Payment (SDP) otherwise known as ASAM minimum rates will discontinue effective January 1, 2027. The SDP was originally implemented on January 1, 2022, to ensure providers were adequately compensated for the transition to and implementation of the American Society of Addiction Medicine (ASAM) criteria within Pennsylvania's Medicaid behavioral health system. OMHSAS has indicated that implementation of the ASAM standards is now considered complete and the temporary SDP is no longer necessary.

The ASAM minimum reimbursement rates were established as a transitional funding mechanism to support providers during implementation of the ASAM standards and promote service capacity and system readiness across the Commonwealth. The SDP was not designed as a permanent rate structure, but as a temporary measure while providers adapted to the new requirements.

To support provider stability and continuity of care, **PerformCare will maintain provider specific current contracted rates through the end of Fiscal Year 2027** (through June 30, 2027). For substance use residential providers of 3.1-3.7, beginning with the FY 2027-2028 (beginning July 1, 2027) rate period, PerformCare will utilize county-established rates developed through the Pennsylvania Drug and Alcohol Agencies (PACDAA) rate-setting methodology. For substance use 2.1 and 2.5 providers, primary contractors and PerformCare will continue to evaluate fee schedule rates to ensure providers are receiving adequate rates.

Providers should ensure that all information required for the FY 2027-2028 rate-setting process is accurate, current, and submitted timely. Providers with questions about the rate-setting process, completion of the XYZ packet, or submission requirements are encouraged to review the PACDAA guidance materials and training video.

Rate-setting resources: PACDAA - Rate Setting
Found at bottom of the Rate Setting Related Documents section:

- XYZ Rate Setting Form(macros) 26 27
- XYZ Rate Setting Training Video

If you have questions regarding this notice, please contact your PerformCare Account Executive.

Thank you for your continued partnership and commitment to providing quality substance use disorder services to our members.

cc: Lisa Hanzel, PerformCare
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PerformCare Account Executives