



STATE OF MICHIGAN  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

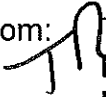
RICK SNYDER  
GOVERNOR

NICK LYON  
DIRECTOR

**MEMORANDUM**

Date: October 16, 2017

To: Executive Directors of Prepaid Inpatient Health Plans (PIHPs)  
Executive Directors of Community Mental Health Service Programs (CMHSPs)  
Chief Financial Officers of Prepaid Inpatient Health Plans (PIHPs)  
Chief Financial Officers of Community Mental Health Service Programs  
(CMHSPs)

From:  Thomas J. Renwick, J.D., Director  
Bureau of Community Based Services  
Behavioral Health and Developmental Disabilities Administration

Subject: Clarification on Assertive Community Treatment (ACT) as a bundled service  
and third-party liability

Recently it has been noted that there is some confusion with the Medicaid billing regarding ACT services provision related to third-party liability as described in the new managed care rule.

In instances where a beneficiary receiving ACT services may have another primary insurance carrier along with Medicaid, such as Medicare or a private insurance, and that insurance does not recognize ACT as a covered or bundled service, Medicaid remains the primary payer. Specific, individual services covered by other insurance carriers that are components of ACT are not required to be unbundled in order to bill that carrier. When ACT is not a covered benefit through the primary insurance, Medicaid would continue to be viewed as the payer of last resort.

Questions or concerns regarding ACT service provision should be directed to Alyson Rush via telephone at 517-335-0250 or via email at [RushA@michigan.gov](mailto:RushA@michigan.gov).

cc: Lynda Zeller  
Jeff Wieferich  
Brenda Stoneburner  
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