



# Monterey County Behavioral Health Policies and Procedures

<b>Policy Number</b>	120
<b>Policy Title</b>	Notice of Adverse Benefit Determination Forms (NOABD)
<b>References</b>	Title IX California Code of Regulations, Chapter 11, Medi-Cal Specialty Mental Health Services, Section 1850.210 Title 22, California Code of Regulations, Section 51014.1 42 CFR §§ 431.213 and 431.214; BHIN-18-010e (3/27/2018) MCBH Policy #128
<b>Effective</b>	October 1, 1997 Revised: February 4, 1999 Revised: April 25, 2003 Revised: March 27, 2003 Revised: April 1, 2011 Revised: September 25, 2014 Revised: June 22, 2017 Revised: February 6, 2024

## Purpose

The purpose of the Notice of Adverse Benefit Determination (NOABD) is to advise a beneficiary of an action taken by the Mental Health Plan (MHP) and Drug Medi-Cal Organized Delivery System (DMC-ODS) Plan or its contracted providers (named MCBH hereafter). It is also to provide information on a beneficiary's right to appeal the decision. The action for which MCBH can take may include denying, changing, or terminating services. This policy applies to all Medi-Cal beneficiaries accessing Specialty Mental Health Services (SMHS) or Substance Use Disorder (SUD) services through MCBH.

## Policy

Per BHIN 18-010e, a NOABD must be given to a Medi-Cal beneficiary whenever the following actions are taken:

1. The denial or limited authorization of a requested service, including determinations based on the type or level of service, medical necessity, appropriateness, setting, or effectiveness of a covered benefit; (NOABD A, B & C & D)
2. The reduction, suspension, or termination of a previously authorized service; (NOABD E)
3. The denial, in whole or in part, of payment for a service; (NOABD H)

4. The failure to provide services in a timely manner; (NOABD G)
5. The failure to act within the required timeframes for standard resolution of grievances and appeals (NOABD J & K); or
6. The denial of a beneficiary's request to dispute financial liability. (NOABD I)

The NOABD must contain:

- The adverse benefit determination the Plan has made or intends to make;
- A clear and concise explanation of the reason(s) for the decision. For determinations based on medical necessity criteria, the notice must include the clinical reasons for the decision. The Plan shall explicitly state why the beneficiary's condition does not meet specialty mental health services and/or DMC-ODS medical necessity criteria;
- A description of the criteria used. This includes medical necessity criteria, and any processes, strategies, or evidentiary standards used in making such determinations;
- The beneficiary's right to be provided upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the beneficiary's adverse benefit determination.
- The effective date of the action
- An explanation of the beneficiary's right to file an Appeal or State Fair Hearing
- An explanation on how to request to keep the same services while awaiting the outcome of the Appeal or State Fair Hearing

#### Timing of Notice

The Plan must mail the notice to the beneficiary within the following timeframes (Title 42, CFR, Section 438.404(c):

1. For termination, suspension, or reduction of a previously authorized specialty mental health and/or DMC-ODS service, at least **10 days** before the date of action, except as permitted under 42 CFR §§ 431.213 and 431.214 [see Title 42, CFR, Section 431.211);
2. For denial of payment, **at the time** of any action denying the provider's claim; or,
3. For decisions resulting in denial, delay, or modification of all or part of the requested SMHS or SUD services, **within two business days** of the decision.

MCBH must *also* communicate the decision to the affected provider **within 24 hours** of making the decision.

A beneficiary who receives a NOABD is to be provided information on their right to appeal the decision. The "Your Rights" Attachment is issued in conjunction with all NOABD

forms. This attachment contains important information about a beneficiary's Appeal and State Fair Hearing rights.

## Procedures

Staff who provide a Notice of Adverse Benefit Determination to a beneficiary will access the "Notice of Adverse Benefit Determination" form in AVATAR. The different NOABD decision templates can be accessed within the Notice of Adverse Benefit Determination form.

1. Staff shall select the appropriate chart episode in the EHR.
2. Date of Decision: This field should indicate the date the decision was made
3. Date of Letter: This field should indicate the date the letter will be sent to the beneficiary. This field will be shown in the letter generated for the beneficiary.
4. Name of staff completing the NOABD
5. Plan Type/Service Type (Mental Health or SUD)
6. Decision: The decision field indicates one of the following options:
  - a. Services Denied
  - b. Services Denied – Carelon
  - c. Provider Authorization Request – Denied
  - d. Provider Authorization Request – Modified
  - e. Termination of Previously Authorized Services
  - f. Request for Additional Information
  - g. Request for Authorization – Late Notice
  - h. Payment Denial
  - i. Dispute Financial Liability – Denial
7. Explanation of reasons for decision/clinical reasons

Once the applicable fields have been completed, staff will submit the form in Avatar. This will produce the NOABD templated letter addressed to the beneficiary, along with the required "Your Rights" Attachment.

This completed NOABD letter may be given to the beneficiary in person or by mail. Staff should refer to the *Timing of Notice* section of this policy for applicable timeframe requirements. This form will serve to inform beneficiaries of their right to file an Appeal if they do not agree with the proposed action (MCBH Policy 128).

Note: For Minors, a copy should be sent to the minor's parent or legal guardian unless this is a Minor Consent case (see below for additional instructions)

A beneficiary's case coordinator or staff providing a NOABD shall make all appropriate efforts to assist beneficiary in preparing for or responding to the proposed action,

including, but not limited to, pointing out alternative resources and/or community supports and providing information about the Appeal process (MCBH Policy 128).

Beneficiaries shall be advised, when appropriate, that they may become eligible (again) for services if their condition worsens and/or there is a significant change that would help overturn the action taken by MCBH.

#### About Minor Consent Cases

1. The NOABD should be handled in one of the following ways:
  - a) Given to the minor (in-person) within two working days
  - b) Verbally shared (and documented) with the minor within timeliness standards but then given to the minor at the next available in-person session
2. The NOABD *shall not be mailed* to the minor's address and the minor's parent/guardian *shall not* receive a copy or be otherwise notified.

#### Additional Resources

The Department of Health Care Services offers an FAQ for NOABDs at:  
<https://www.dhcs.ca.gov/services/medi-cal/eligibility/Pages/NOA-FAQ.aspx>