

BHS Policies and Procedures



City and County of San Francisco
Department of Public Health
San Francisco Health Network
BEHAVIORAL HEALTH SERVICES

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POLICY/PROCEDURE REGARDING: Issuing Notices of Adverse Benefit Determination to Medi-Cal Beneficiaries Receiving Specialized Mental Health or Drug Medi-Cal Organized Delivery System Services

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Director of Behavioral Health Services

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Manual Number: 3.11-04

References: MHSUDS IN No: 18-010E; Title 42, CFR, Part 431, Subpart E; Title 42, CFR, Part 438, Subparts A and F; CCR §1830.210; BHS policies 3.11-01, 3.04-08, and 3.02-13.

Substantive Revision. Replaces Policy 3.11-04 dated August 12, 2014.

Purpose:

The purpose of this policy is to define an adverse benefit determination, to ensure that the rights of Medi-Cal beneficiaries are protected, and to describe the situations that warrant a Notice of Adverse Benefit Determination (NOABD) and the process through which a NOABD is issued.

Scope:

This policy applies to all providers of Specialty Mental Health Services (SMHS) and Drug Medi-Cal Organized Delivery System (DMC-ODS) services offered through San Francisco Behavioral Health Services (BHS).

Policy:

San Francisco Behavioral Health Services (BHS) is required to issue a Notice of Adverse Benefit Determination to eligible San Francisco Medi-Cal beneficiaries when BHS, or a provider on behalf of BHS, takes any action defined as an adverse benefit determination in regard to a beneficiary's SMHS or DMC-ODS services. Adverse benefit determination means any of the following actions taken by BHS:

- 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;
- The reduction, suspension, or termination of a previously authorized service;
- The denial, in whole or in part, of payment for a service;
- The failure to provide services in a timely manner;
- The failure of BHS to act within the required timeframes for standard resolution of grievances and appeals; or
- The denial of a beneficiary's request to dispute a financial liability, including cost sharing, copayments, premiums, deductibles, coinsurance, and other financial liabilities.

A beneficiary who receives a Notice of Adverse Benefit Determination (NOABD) has a right to appeal this decision within 60 calendar days from the date on the NOABD. There are no filing deadlines if a NOABD is not issued. Should the beneficiary decide to request an appeal, the Grievance/Appeal Office will review the adverse benefit determination to either uphold or overturn BHS's decision. If BHS determines that taking time for a standard appeal resolution could jeopardize the beneficiary's health or functioning, beneficiaries can file an expedited appeal (see BHS policy 3.11-01 regarding *Grievance and Appeal System for Behavioral Health Services*). Beneficiaries are informed of their right to a State Hearing by the Notice of Adverse Benefit Determination and the Notice of Appeal Resolution, if the decision is to uphold the adverse benefit determination. Beneficiaries must exhaust the BHS appeal process prior to requesting a State Hearing. In the event that BHS fails to adhere to the notice and timing requirements, the beneficiary is deemed to have exhausted BHS's appeal process and may initiate a State Hearing. Beneficiaries can also request a second opinion on the determination of not meeting medical necessity (see BHS policy 3.04-08).

Definition of Terms:

Appeal and Expedited Appeal – The standard appeal and expedited appeal procedure provides an avenue for a Medi-Cal beneficiary to request a review when BHS takes any action defined as an adverse benefit determination. A standard appeal or expedited appeal is processed according to BHS policy 3.11-01.

Beneficiary – Individuals enrolled in Medi-Cal who are eligible for SMHS or DMC-ODS services. Only Medi-Cal beneficiaries may receive a Notice of Adverse Benefit Determination, request an appeal or expedited appeal, or request a State Hearing.

Continuation of Benefits (Aid Paid Pending) – Beneficiaries who have filed a timely request can have their existing services (i.e., benefits) continue while an appeal or State Hearing are pending. *Timely* means that the beneficiary requested an appeal within 10 calendar days from the date of the NOABD or before the intended effective date of BHS's proposed adverse benefit determination. BHS must continue the beneficiary's services if all of the following occur: the beneficiary files a timely request for an appeal; the appeal involves the termination, suspension, or reduction of an existing service authorization, which has not lapsed; and the beneficiary timely files for continuation of services. If, at the beneficiary's request, BHS continues or reinstates the beneficiary's existing services, the services must be continued until one of the following occurs: the beneficiary withdraws the appeal or request for a State Hearing; the beneficiary fails to request a State Hearing and continuation of services within 10 calendar days after BHS sends the Notice of Appeal Resolution upholding the adverse benefit determination; or the State Hearing office issues a hearing decision adverse to the beneficiary. Beneficiaries shall be informed that they may be held liable for the cost of those services if the State Hearing upholds the BHS adverse benefit determination.

Medical Necessity – The criteria used to determine a beneficiary's eligibility for SMHS or DMC-ODS services. State guidelines list the included diagnoses and define impairment and intervention-related criteria by which medical necessity is determined.

Specialty Mental Health Services (SMHS) - Meeting medical necessity criteria for SMHS includes the following:

The beneficiary age 21 and over must have-

- an included ICD diagnosis in accordance with the MHP contract; AND

- at least one of the following problems as a result of the included diagnosis: significant impairment in an important area of life functioning OR a probability of significant deterioration in an important area of life functioning; AND
- the expectation that the proposed treatment to address the included diagnosis will do at least one of the following: significantly diminish the impairment OR prevent significant deterioration in an important area of life functioning; AND
- the condition would not be responsive to physical health care based treatment.

The beneficiary *under age 21* must have-

- an included ICD diagnosis in accordance with the MHP contract; AND
- except as provided in CCR §1830.210, a reasonable probability that the beneficiary will not progress developmentally as individually appropriate as a result of the included diagnosis; AND
- except as provided in CCR §1830.210, the expectation that the proposed treatment to address the included diagnosis will allow the beneficiary to progress developmentally as individually appropriate; AND
- the condition would not be responsive to physical health care based treatment.

Drug Medi-Cal Organized Delivery System (DMC-ODS) - Meeting medical necessity criteria for DMS-ODS includes the following:

The beneficiary *age 21 and over* must have-

- a DSM diagnosis for Substance-Related and Addictive Disorders with the exception of Tobacco-Related Disorders and Non-Substance-Related Disorders; AND
- the beneficiary shall meet the American Society of Addiction Medicine (ASAM) definition of medical necessity for services based on the ASAM Criteria.

The beneficiary *under age 21* must be-

- assessed to be at-risk for developing a Substance Use Disorder (SUD); AND
- the beneficiary shall meet the American Society of Addiction Medicine (ASAM) definition of medical necessity for services based on the ASAM Criteria.

Notice of Adverse Benefit Determination (NOABD) – A Notice of Adverse Benefit Determination informs a beneficiary of a denial or change to their SMHS or DMC-ODS services, and the beneficiary’s right to request an appeal if the beneficiary does not agree with BHS’s decision. The NOABD also informs the beneficiary of delays in resolving grievances or appeals, providing services in a timely manner, delays in authorization, or to dispute financial liability.

State Hearing – A State Hearing is provided to beneficiaries pursuant to Title 42, CFR, Part 431, Subpart E. It is an independent review conducted by the California Department of Social Services to ensure that beneficiaries receive SMHS or DMC-ODS services entitled under the Medi-Cal program. A beneficiary does not have access to the State Hearing process until the BHS appeal process has been exhausted and the adverse benefit determination is upheld.

Written NOABD Requirements: BHS, or a provider on behalf of BHS, must give beneficiaries timely and adequate notice of an adverse benefit determination in writing, which must explain all of the following:

- The adverse benefit determination that BHS 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. BHS shall explicitly state why the beneficiary's condition does not meet SMHS 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.

Timing of the NOABD: BHS, or a provider on behalf of BHS, must hand deliver or mail the NOABD to the beneficiary within the following timeframes:

- For termination, suspension, or reduction of a previously authorized SMHS and/or DMC-ODS service, at least 10 days before the date of the action;
- For denial of payment, at the time of any action denying the provider's claim; or
- For decisions resulting in denial, delay, or modification of all or part of the requested SMHS and/or DMC-ODS services, within 2 business days of the decision.
- BHS must also communicate the decision to the affected provider within 24 hours of making the decision. Decisions shall be communicated to the provider initially by telephone or facsimile, and then in writing, except for decisions rendered retrospectively. For written notification to the provider, BHS must also include the name and direct telephone number or extension (or other effective means for contact) of the decision-maker.

Written NOABD Templates: In accordance with the federal requirements, BHS must use the Department of Health Care Services' (DHCS) uniform notice templates when providing beneficiaries with a written NOABD. The notice templates include both the NOABD and the *NOABD Your Rights* documents to notify beneficiaries of their rights in compliance with the federal regulations. BHS, or providers on behalf of BHS, shall not make any changes to the NOABD templates or the *NOABD Your Rights* attachment without prior review and approval from DHCS, except to insert information specific to beneficiaries as required.

Definition of Types of NOABD:

NOABD – Denial (formerly NOA-A). Denial of authorization for requested services. Use this template when BHS, or a provider on behalf of BHS, denies a request for a service. Denials include determinations based on type or level of service, requirements for medical necessity, appropriateness, setting or effectiveness of a covered benefit. For DMC-ODS, also use this template for denied residential service requests.

NOABD – Payment Denial (formerly NOA-C). Denial of payment for a service rendered by provider. Use this template when BHS denies, in whole or in part, for any reason, a provider's request for payment for a service that has already been delivered to a beneficiary. This notice reads "this is not a bill" so that the beneficiary knows that one is not responsible for the cost of the service rendered, but that the service request has been retrospectively denied.

NOABD – Delivery System. Use this template when BHS has determined that the beneficiary does not meet the criteria to be eligible for SMHS through BHS. The beneficiary will be referred to Behavioral Health Access Center, or other appropriate system, for non-specialty mental health or other services.

NOABD – Modification. Modification of requested services. Use this template when BHS modifies or limits a provider’s request for a service, including reductions in frequency and/or duration of services, and approval of alternative treatments and services.

NOABD – Termination. Termination of a previously authorized service. Use this template when BHS terminates, reduces, or suspends a previously authorized service.

NOABD – Authorization Delay. Delay in processing authorization of services. Use this template when there is a delay in processing a provider’s request for authorization of SMHS or DMC-ODS services. When BHS extends the timeframe to make an authorization decision, it is a delay in processing a provider’s request. This includes extensions granted at the request of the beneficiary or provider, and/or those granted when there is a need for additional information from the beneficiary or provider, when the extension is in the beneficiary’s interest.

NOABD – Timely Access (formerly NOA-E). Failure to provide timely access to services. Use this template when there is a delay in providing the beneficiary with timely services, as required by the timely access standards applicable to the delayed service (e.g., BHS policy 3.02-13 *BHS Advanced Access: Timely Access Standard for Outpatient Programs*).

NOABD – Financial Liability. Dispute of financial liability. Use this template when BHS denies a beneficiary’s request to dispute financial liability, including cost sharing and other beneficiary financial liabilities.

NOABD - Grievance/Appeal Resolution (formerly NOA-D). Failure to timely resolve grievances and appeals. Use this template when BHS does not meet required time frames for resolution of grievances, standard appeals, or expedited appeals. This notice will be issued by the Grievance/Appeal Office.

NOABD “YOUR RIGHTS” Attachment. This document must be sent to beneficiaries with each NOABD. The NOABD “Your Rights” attachment provides beneficiaries the following required information pertaining to NOABD:

- The beneficiary’s or provider’s right to request an appeal with BHS within 60 calendar days from the date on the NOABD;
- The beneficiary’s right to request a State Hearing only after filing an appeal with BHS and receiving a notice that the adverse benefit determination has been upheld;
- The beneficiary’s right to request a State Hearing if BHS fails to send a resolution notice in response to the appeal within the required timeframe;
- Procedures for exercising the beneficiary’s rights to request an appeal;
- Circumstances under which an expedited review is available and how to request it; and,
- The beneficiary’s right to have benefits continue pending resolution of the appeal and how to request continuation of benefits.

Issuing NOABD and Required Enclosures:

- A *Provider Decision Grid* has been developed to assist providers in deciding if, when, and which NOABD type needs to be issued to the beneficiary. This grid can be accessed on the DPH public website at <https://www.sfdph.org/dph/comupg/oservices/mentalHlth/CBHS/default.asp>
- The NOABD must be issued according to the required time frame as defined above.
- Each NOABD must be issued with the required enclosures which include the *NOABD Your Rights* attachment, the *Language Assistance* taglines, and the beneficiary *Nondiscrimination Notice*. In addition, whenever a *Denial, Delivery System, Modification, or Termination* NOABD is issued and the determination is based on not meeting medical necessity criteria, providers are required to provide the BHS informational handout on *Requesting a Second Opinion*.
- Notices of Adverse Benefit Determination and the required enclosures are to be provided to the beneficiary in one's primary language when indicated.
- BHS requires 3 copies of the issued Notice of Adverse Benefit Determination which are distributed as follows: 1) one copy is given or sent to the beneficiary (or parent/legal guardian if not a minor consent case, or authorized representative); 2) the second copy is given to the affected provider where applicable and/or retained by the authorizer and a hard copy placed in the beneficiary's physical medical record; and 3) the third copy is provided to Quality Management for central filing at 1380 Howard Street, 2nd Floor, San Francisco, CA 94103.
- Upon issuing a Notice of Adverse Benefit Determination, there begins the 60 day period that a beneficiary may file an appeal; however, beneficiaries may request State Hearings in circumstances when no NOABD are generated, or when the appeal process has been completed and the decision is to uphold the adverse benefit determination.
- Beneficiaries who are in on-going services must file a request for an appeal within 10 days of the date of issue to be eligible for services to continue while the appeal is pending.
- Programs/authorizers must document the pertinent background and criteria of the decisions resulting in issuing a Notice of Adverse Benefit Determination and maintain this documentation in the beneficiary's medical record. In the event of a State Hearing, this documentation is critical to defending BHS's adverse benefit determination.

Obtaining NOABD Templates and Required Enclosures: These notices are available in our county threshold languages, including English, Chinese, Russian, Spanish, Tagalog, and Vietnamese. The Notice of Adverse Benefit Determination templates, the *NOABD Your Rights* attachment, *Language Assistance* taglines, the beneficiary *Nondiscrimination Notice*, and the BHS *Requesting a Second Opinion* handout can be accessed on the DPH public website.

As each of the NOABD templates are fillable pdf documents only, the NOABD is downloaded, completed electronically, and printed. The NOABD templates in each of the threshold languages can be accessed on the DPH public website at

<https://www.sfdph.org/dph/comupg/oservices/mentalHlth/CBHS/default.asp>

Copies of the required enclosures (*NOABD Your Rights*, *Language Assistance* taglines, *Nondiscrimination Notice*, BHS *Requesting a Second Opinion* handout) in the threshold languages can be

obtained on the DPH public website at:

<https://www.sfdph.org/dph/comupg/oservices/mentalHlth/CBHS/default.asp>

Making requests for other means of communication or translations in additional languages should be submitted for review and consideration to the BHS Office of Equity, Social Justice, and Multicultural Education, 1380 Howard Street, 5th Floor, San Francisco, CA 94103, or by calling 415-255-3400.

Retention of Records: All copies of completed NOABD forms and related documentation that are centrally filed with Quality Management will be retained in locked administrative files for 10 years from the date the NOABD was issued unless there are program specific requirements that demand a longer retention period.

Contact Person:

Quality Management, 415-255-3400

Distribution:

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