



Behavioral Health Department

Alameda County Health

NOTICES OF ADVERSE BENEFIT DETERMINATION (NOABD) FOR MEDI-CAL BENEFICIARIES

TRAINING PPT FOR SUBSTANCE USE DISORDER PROVIDERS

LEARNING OBJECTIVES

OBTAIN KNOWLEDGE OF:

- WHAT NOTICES OF ADVERSE BENEFIT DETERMINATIONS (NOABD) ARE
- WHEN A NOABD IS REQUIRED
- WHICH NOABD TEMPLATE TO USE
- HOW TO FILL OUT A NOABD TEMPLATE
- NOABD TIMELINESS STANDARDS
- NOABD RECORD KEEPING AND SUBMISSION TO ACBHD

AUTHORITY AND REFERENCES

- CMS Medicaid and CHIP Managed Care Final Rule (Final Rule)
- CMS Medicaid Mental Health Parity Final Rule (Parity Rule)
- Title 42, Code of Federal Regulations (CFR), Part 438, Subpart F. Grievance and Appeal System
- Title 22, California Code of Regulations (CCR), §51014.1. Fair Hearings Related to Denial, Termination or Reduction in Medical Services
- Title 22, CCR, §51014.2. Medical Assistance Pending Fair Hearing Decision
- Title 9, CCR, §1810.200. Action
- Title 9, CCR, §1850.210. Provision of Notice of Action
- Alameda County's MHP Contract #17-94572 with the California State Department of Health Care Services (DHCS)
- Alameda County's Intergovernmental Agreement (IA) #17-94062 (G) (2-8) with the DHCS
- MHSUDS Information Notice No: 18-010. Federal Grievance and Appeal System Requirements with Revised Beneficiary Notice Templates
- ACBHD Policy No: 300-2. Notices of Adverse Benefit Determination for Medi-Cal Beneficiaries (2/15/19)
(3/27/2025)

BACKGROUND AND PURPOSE OF NOABD

BACKGROUND:

- Notices of Adverse Benefit Determination (NOABD) supplant previous Notices of Action (NOA).
- The Centers for Medicare and Medicaid Services (CMS) Managed Care Final Rule (Final Rule) aligns the Medicaid managed care program with other health insurance coverage programs and was put into effect July 5, 2016, with phased implementation over several years.
- The CMS Medicaid Mental Health Parity Final Rule (Parity Rule), issued on March 29, 2016, is intended to create consistency between the commercial and Medicaid markets, strengthen access to mental health and substance use disorder services for Medicaid beneficiaries, and ensure restrictions or limits are not more substantially applied to the aforementioned services as compared to medical surgical services.

PURPOSE:

- Provide Medicaid (Medi-Cal) beneficiaries timely and understandable written notification when an adverse benefit determination for specialty mental health (SMHS) or substance use disorder (SUD) services is made; notification inclusive of beneficiary rights, such as the right to appeal.

DEFINITION: ADVERSE BENEFIT DETERMINATION

Any of the following actions taken by the Behavioral Health Plan (BHP), which includes Alameda County Behavioral Health (ACBHD) and ACBHD-contracted providers:

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;
2. The reduction, suspension, or termination of a previously authorized service;
3. The denial, in whole or in part, of payment for a service;
4. The failure to provide services in a timely manner;
5. The failure to act within the required timeframes for standard resolution of grievances and appeals; or
6. The denial of a beneficiary's request to dispute financial liability.

NOTICES OF ADVERSE BENEFIT DETERMINATION (NOABD)

A NOABD is written notification of when an adverse benefit determination is made, and the BHP is required to issue to Medi-Cal beneficiaries.

NOABD REQUIRED CONTENT:

1. The adverse benefit determination the BHP has made or intends to make;
2. 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 BHP shall explicitly state why the beneficiary's condition does not meet SMHS and/or DMC-ODS medical necessity criteria;
3. A description of the criteria used. This includes medical necessity criteria, level of care criteria, and any processes, strategies, or evidentiary standards used in making such determinations;
4. 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.

NOABD TEMPLATES

- A. *NOABD- DENIAL (OF AUTHORIZATION)* ¹**
- B. NOABD- PAYMENT DENIAL
- C. NOABD- DELIVERY SYSTEM
- D. NOABD- MODIFICATION
- E. *NOABD-TERMINATION* ¹**
- F. NOABD- AUTHORIZATION DELAY
- G. *NOABD- TIMELY ACCESS* ¹**
- H. NOABD-FINANCIAL LIABILITY
- I. *NOABD- GRIEVANCE & APPEAL TIMELY RESOLUTION* ¹**

NOTE: NOABD TEMPLATES TYPICALLY ISSUED BY ACBHD-CONTRACTED SUD TREATMENT PROVIDERS ¹

NOABD TABLE

NOABD	Who Issues Notice?	Who Receives Notice?	Criteria for Beneficiary Notice
Denial (of Authorization) Notice	BHP: ACBHD and ACBHD-contracted providers	Beneficiary or parent/legal guardian, ACBHD QA	The BHP 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. The BHP must mail the notice to the beneficiary within two (2) business days of the decision.
Payment Denial Notice	ACBHD	Beneficiary or parent/legal guardian	ACBHD 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. ACBHD must mail the notice to the beneficiary at the time of any action denying the provider's claim.
Delivery System Notice	BHP: ACBHD and ACBHD-contracted providers	Beneficiary or parent/legal guardian	The BHP has determined that the beneficiary does not meet the criteria to be eligible for specialty mental health services (SMHS). The beneficiary will be referred to the Managed Care Plan, or other appropriate system, for mental health and/or other services. The Plan must mail the notice to the beneficiary within two (2) business days of the decision. NOTE: This template does not apply to SUD services.
Modification Notice	BHP: ACBHD and ACBHD-contracted providers	Beneficiary or parent/legal guardian; ACBHD QA	The BHP 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. The BHP must mail the notice to the beneficiary within two (2) business days of the decision. Requires provider notification within 24 hours. ¹
Termination Notice	BHP: ACBHD and ACBHD-contracted providers	Beneficiary or parent/legal guardian; ACBHD QA	The BHP terminates, reduces or suspends a previously authorized service. The BHP must mail the notice to the beneficiary at least ten (10) days before the date of the action. Requires provider notification within 24 hours. ¹
Authorization Delay Notice	ACBHD	Beneficiary or parent/legal guardian	When there is a delay in processing a provider's request for authorization of specialty mental health services or substance use disorder residential services. When ACBHD extends the timeframes 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. ACBHD must mail the notice to the beneficiary within two (2) business days of the decision.
Timely Access Notice	BHP: ACBHD and ACBHD-contracted providers	Beneficiary or parent/legal guardian; ACBHD QA	When there is a delay in providing the beneficiary with timely services, as required by the timely access standards applicable to the delayed service. The BHP must mail the notice to the beneficiary within two (2) business days.
Financial Liability Notice	ACBHD	Beneficiary or parent/legal guardian	ACBHD denies a beneficiary's request to dispute financial liability, including cost-sharing and other beneficiary financial liabilities. ACBHD must mail the notice to the beneficiary at the time of any action regarding the dispute.
<p>NOTE: The BHP must also communicate the decision to the affected provider within 24 hours of making the decision, initially by telephone or facsimile, and then by writing, except for decisions rendered retrospectively. Services not authorized by ACBHD that are reduced, modified, or terminated as a result of a treatment Team/Clinician decision based on the beneficiary's clinical condition and/or progress in treatment are not subject to an adverse benefit determination notification. The beneficiary still has the right to appeal the decision with the BHP.</p> <p>Timely Resolution: ACBHD-contracted providers</p>			

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NOABD-DENIAL (OF AUTHORIZATION)

ISSUED BY BHP: ACBHD AND ACBHD-CONTRACTED PROVIDERS

Use this template when the BHP 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.

RESPONSIBLE BHP PROVIDERS AND EXAMPLES OF WHEN TO ISSUE THE NOABD-DENIAL

ACBHD departments/units that authorize SMHS or DMC-ODS services

- ☐ ACBHD Utilization Management Program (UM) uses this template for denied initial DMC-ODS residential treatment service requests and initial SMHS service requests, such as day treatment and ECT.
- ☐ ACBHD ACCESS uses this template for denied SMHS- such as initial requests for therapy, psychiatry, service team (case management), FSP, and psychological testing, including when the beneficiary is denied the specific service requested and offered a more appropriate level of SMHS.

NOABD-DENIAL (OF AUTHORIZATION), CONTINUED

RESPONSIBLE BHP PROVIDERS AND EXAMPLES OF WHEN TO ISSUE THE NOABD-DENIAL

ACBHD-Contracted providers that are “front doors” and self-authorize SMHS or DMC-ODS services

- ☐ 24/7 Substance Use Disorder (SUD) Helpline uses this template for beneficiary specific service modality/level of care requests for that are approved as modified (e.g. Beneficiary request for residential treatment, but approved for recovery residence and IOS)
- ☐ SMHS and DMC-ODS treatment providers who are “front doors” and receive direct beneficiary request for service, but denied service.

NOABD-Denial Timeliness Standard:

BHP must mail the notice to the beneficiary within two (2) business days of the decision.

NOABD-Denial not required in the following circumstance:

Provider leaves the BHP as long as the beneficiary is provided with the same type and level of service.

NOTE: Do not use this template for termination of previously authorized services, but use the NOABD-Termination template.

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NOABD- TERMINATION

ISSUED BY BHP: ACBHD AND ACBHD-CONTRACTED PROVIDERS

Use this template when the BHP terminates, reduces or suspends a previously authorized service.

RESPONSIBLE BHP PROVIDERS AND EXAMPLES OF WHEN TO ISSUE THE NOABD-TERMINATION

ACBHD departments/units that authorize SMHS or DMC-ODS services

- ☐ ACBHD Utilization Management Program (UM) uses this template when DMC-ODS residential treatment or SMHS Fee-for-Service (FFS) Network or AB1299/SB785 services that were previously authorized are terminated (e.g. SMHS FFS Network provider given initial authorization and requests reauthorization, but UM denies).

ACBHD-Contracted providers that authorize SMHS or DMC-ODS services

- ☐ When a beneficiary has lost contact with a Tx Provider and the Tx Provider is not able to contact/locate the beneficiary and closes the episode.
- ☐ When a beneficiary is discharged for non-compliance.

NOABD-Termination Timeliness Standards: BHP must mail the notice to the beneficiary at least ten (10) days before the date of the action, except as permitted under 42 CFR 431.213 and 431.214 (e.g. <10 days if the safety or health of individuals in the facility is endangered due to the clinical or behavioral status of the resident). Requires provider notification within 24 hours.

NOTE: Services that are reduced, modified, or terminated by outpatient providers that are not subject to prior authorization and are the result of a treatment Team/Clinician decision based on the beneficiary's clinical condition and/or progress in treatment is not subject to issuance of a NOABD.

NOABD- TIMELY ACCESS

ISSUED BY BHP: ACBHD AND ACBHD-CONTRACTED PROVIDERS

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.

RESPONSIBLE BHP PROVIDERS AND EXAMPLES OF WHEN TO ISSUE THE NOABD-TIMELY ACCESS

ACBHD SMHS and DMC-ODS “front door” service providers and delivery system entry points

- ☐ ACBHD ACCESS uses this template when a beneficiary has requested SMHS service(s) and the first available/offered appointment is outside of timely access standards (e.g. beneficiary request for outpatient psychiatry and is not offered an appointment within 15 business days).

ACBHD-Contracted SMHS and DMC-ODS “front door” service providers and delivery system entry points

- ☐ ACBHD-Contracted 24/7 SUD Helpline uses this template when a beneficiary has requested a SUD treatment service and the first available/offered appointment is outside of timely access standards (e.g. beneficiary request for Outpatient Services (OS) and is not offered an appointment within 10 business days).
- ☐ ACBHD Treatment Providers use this template when they cannot offer the initial appointment within the timely access standards (SMHS - the date at the top of the ACCESS referral letter sent to the provider is the date of the beneficiary’s initial request for services).

NOABD-Timely Access Timeliness Standard: The BHP must mail the notice to the beneficiary within two (2) business days.

NOABD-GRIEVANCE & APPEAL TIMELY RESOLUTION

ISSUED BY BHP: ACBHD AND ACBHD-CONTRACTED PROVIDERS

Use this template when the BHP does not meet required timeframes for the standard resolution of grievances and/or appeals

RESPONSIBLE BHP PROVIDERS AND EXAMPLES OF WHEN TO ISSUE THE NOABD-GRIEVANCE & APPEAL TIMELY RESOLUTION

ACBHD

- ☐ ACBHD Quality Assurance (QA) uses this template when the required applicable timeframe for standard resolution of grievances and/or appeals is not met.

ACBHD-Contracted SMHS and DMC-ODS service providers

- ☐ ACBHD-Contracted service provider uses this template when the required applicable timeframe for standard resolution of grievances is not met.

HOW TO COMPLETE A NOABD

NOTICE OF ADVERSE BENEFIT DETERMINATION- Denial About Your Treatment Request

Beneficiary's Name
Address
City, State Zip

Treating Provider's Name
Address
City, State Zip

Service requested

Beneficiary has asked Plan to approve Service requested. This request is denied. The reason for the denial is *Using plain language, insert: 1. A clear and concise explanation of the reasons for the decision; 2. A description of the criteria or guidelines used, including a citation to the specific regulations and authorization procedures that support the action; and 3. The clinical reasons for the decision regarding medical necessity.*

You may appeal this decision if you think it is incorrect. The enclosed "Your Rights" information notice tells you how. It also tells you where you can get help with your appeal. This also means free legal help. You are encouraged to send with your appeal information or documents that could help your appeal. The enclosed "Your Rights" information notice provides timelines you must follow when requesting an appeal.

You may ask for free copies of all information used to make this decision. This includes a copy of the guideline, protocol, or criteria that we used to make our decision. To ask for this, please call Plan at telephone number.

If you are currently getting services and you want to keep getting services while we decide on your appeal, you must ask for an appeal within 10 days from the date on the notice or before the date the Plan says services will be stopped or reduced.

Plan can help you with any questions you have about this notice. For help, you may call Plan hours of operation at Plan's Member Services telephone number. If you have trouble speaking or hearing, please call TTY/TTD number TTY/TTD number, between hours of operation for help.

If you need this notice and/or other documents from the Plan in an alternative communication format such as large print, Braille, or audio, please call the number on the notice.

- A. Complete gray italicized areas
- B. Insert in plain language the adverse benefit determination, the clinical reason(s), and the criteria or guidelines used, including citations to the specific regulations.

NOABD-DENIAL EXAMPLE:

Beneficiary A has asked ACBHD to approve specialty mental health individual therapy services. This request is denied. The reason for the denial is **1. Your current condition does not meet specialty mental health service criteria. Symptoms and impairment described appear to be related to substance abuse only; 2. medical necessity criteria, in accordance with Title 9, CCR, §1830.205, does not include substance-related disorders for specialty mental health service eligibility; and 3. the focus of the proposed intervention would not appropriately address your condition.**

- C. Template and enclosure sections that indicate **"The Plan/Plan,"** insert your program/department name and phone number.

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MAKING A WRITTEN NOABD ACCESSIBLE TO BENEFICIARIES WITH DISABILITIES AND LANGUAGE NEEDS

If you need this notice and/or other documents from the Plan in an alternative communication format such as large font, Braille, or an electronic format, or, if you would like help reading the material, please contact *Plan* by calling *telephone number*.

For “Plan” and “telephone number” insert:

- ☐ Your program/department name and phone number.
- ☐ For beneficiaries with visual impairments or upon request for large font, please increase the letter font of the NOABD to 18-point font. You may send the notice to the beneficiary electronically via your providers’ secure e-mail. Upon request for Braille or audio files, please contact the QA office informing materials number 510-567-8233.
- ☐ For beneficiaries with reading difficulties and language needs or upon request, please offer to read the NOABD material to the beneficiary. If needed, contact the language line vendor for interpretation services.
- ☐ For beneficiaries who have hearing difficulties, please contact 711 or include the 711 phone number in the TTY sections of the NOABD. Please contact the language line vendor for translation language services.

HOW TO COMPLETE A NOABD, CONTINUED

This notice does not affect any of your other Medi-Cal services.

Signature Block

Enclosures: "Your Rights"
Language Assistance Taglines
Beneficiary Non-Discrimination Notice

Enclose notice with each letter

For "Signature Block" and "telephone number" insert:

- ☐ Name of issuer/decision-maker
- ☐ Direct telephone number or extension of the decision-maker

The indicated Enclosures are required to be sent with all issued NOABDs.

NOABD RECORD KEEPING AND SUBMISSION

- ACBHD departments/units who issue NOABDs shall internally maintain records and notate in applicable ACBHD data system(s).
- ACBHD-Contracted providers who issue NOABDs shall:
 1. Retain copies of NOABDs and place in beneficiary's chart, if applicable;
 2. Immediately submit copies of all issued NOABDs to the:

ACBHD Quality Assurance (QA) Office:

US Mail: 2000 Embarcadero, Suite 400
Oakland, CA 94606

or

Fax: 510-639-1346