


# Notice of Adverse Benefit Determination (NOABD)

County of San Diego  
Behavioral Health Services  
DMC-ODS



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## Learning Objectives

- Background – Purpose and Authority
- Choosing the Correct Notice
- NOABD Timelines and Requirements
- Completing and Issuing the NOABD and its Attachments
- Maintaining an NOABD Log
- Exceptions
- NOABD and the Appeal Process

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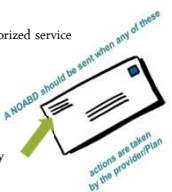
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## Notice of Adverse Benefit Determination

- Issued when an "action" has been taken against a beneficiary's request for services or continuing services
- Denial or limited authorization of a requested service (including determinations based on the type of level of service, medical necessity, appropriateness, setting, or effectiveness of a covered benefit)
- Reduction, suspension, or termination of a previously authorized service
- Denial (in part or whole) of payment for a service
- Failure to provide services in a timely manner
- Failure to act within the required timeframes for resolution of grievances and appeals
- Denial of a beneficiary's request to dispute financial liability



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## What is a Notice of Adverse Benefit Determination?

- Notice 
  - Notices inform resident/clients about the adverse or unfavorable determination made, the justification with a description of guidelines or criteria used, citation to authority that supports the action, and the resident/client's appeal rights.
- Requirements 
  - Notices are required by both Federal and State laws. 42 CFR §438.400-424; APL 17-006. Notices apply for all Medi-Cal covered benefits and services.
- Language 
  - The NOABD language must be clear and non-technical. Providers should use forms translated into threshold languages when appropriate.



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## NOABD: Choosing the Correct Notice

There are eight different kinds of notices. A template for each notice is available on [Optum San Diego's DMC-ODS Documents](#) under the NOABD tab in all threshold languages.

- The Termination Notice
  - Clients must be provided a Termination Notice 10 days prior to date of action
  - When a provider terminates, reduces, or suspends a previously authorized service
- The Denial of Authorization Notice
  - When the provider denies a request for service, including denials based on type/level of service, medical necessity, appropriateness, setting, or effectiveness of the service
- The Timely Access Notice
  - When requested services cannot be provided within timelines



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## NOABD: Choosing the Correct Notice

- Authorization Delay Notice
  - When there is a delay in processing a provider's request for authorization
- Modification Notice
  - When a provider modifies or limits a request for services
- Payment Denial Notice
  - When the Plan denies, in whole or part, for any reason, a provider's request for a payment for a service that has already been delivered to a client
- Financial Liability Notice
  - The provider/Plan denies a client's request to dispute financial liabilities
- Delivery System Notice
  - **The Delivery System Notice does not apply to SUD services.** It is issued when The Plan has determined that the beneficiary does not meet the criteria to be eligible for services and makes a referral to the Managed Care Plan or other appropriate system of care.



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## NOABD: Timelines

Timelines  
When does each notice need to be mailed/issued to the client?

**AT THE TIME OF THE DECISION:**  
Timely Access Notice  
Financial Liability Notice  
Payment Denial Notice

**AT LEAST 10 CALENDAR DAYS BEFORE THE ACTION/EFFECTIVE DATE:**  
Termination Notice

**WITHIN 2 BUSINESS DAYS OF THE DECISION/ACTION:**  
Denial of Authorization Notice  
Modification Notice  
Authorization Delay Notice  
Delivery System Notice

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## NOABD Required elements

- Multiple required elements in the NOABD
  - Easily met by completing the NOABD form available on the Optum Website:
    - <https://www.optumsandiego.com/content/SanDiego/sandiego/en/county-staff--providers/dmc-ods.html>
- Issuing of an NOABD begins the 120-day period that a beneficiary may file for a State Fair Hearing

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## Writing NOABD Narratives

**NOTICE OF ADVERSE BENEFIT DETERMINATION  
About Your Treatment Request**

Date

Beneficiary's Name  
Address  
City, State Zip

Treating Provider's Name  
Address  
City, State Zip

For adult: Adult's name  
For minor: "To the parent or guardian of..."

RE: Service requested

You are currently receiving Service to be terminated. Beginning on termination date we will no longer approve this treatment.

This is because 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 plan authorization procedures that support the action; and 3. The clinical reasons for the decision regarding medical necessity.

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## Writing NOABD Narratives

**NOTICE OF ADVERSE BENEFIT DETERMINATION  
About Your Treatment Request**


Date

<u>Beneficiary's Name</u>	<u>Treating Provider's Name</u>
<u>Address</u>	<u>Address</u>
<u>City, State Zip</u>	<u>City, State Zip</u>

**RE:** Service requested

You are currently receiving Service to be terminated. Beginning on termination date we will no longer approve this treatment.

This is because *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 plan authorization procedures that support the action; and 3. The clinical reasons for the decision regarding medical necessity.*



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## Writing NOABD Narratives

**NOTICE OF ADVERSE BENEFIT DETERMINATION  
About Your Treatment Request**

Date


<u>Beneficiary's Name</u>	<u>Treating Provider's Name</u>
<u>Address</u>	<u>Address</u>
<u>City, State Zip</u>	<u>City, State Zip</u>

Your agency name and site (if applicable)

**RE:** Service requested

You are currently receiving Service to be terminated. Beginning on termination date we will no longer approve this treatment.

This is because *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 plan authorization procedures that support the action; and 3. The clinical reasons for the decision regarding medical necessity.*



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## Writing NOABD Narratives

**NOTICE OF ADVERSE BENEFIT DETERMINATION  
About Your Treatment Request**


Date

<u>Beneficiary's Name</u>	<u>Treating Provider's Name</u>
<u>Address</u>	<u>Address</u>
<u>City, State Zip</u>	<u>City, State Zip</u>

**RE:** Service requested Type of service requested  
(1.0 or 2.1 Outpatient; 3.1 or 3.5 Residential;  
3.2 Withdrawal Management)

You are currently receiving Service to be terminated. Beginning on termination date we will no longer approve this treatment.

This is because *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 plan authorization procedures that support the action; and 3. The clinical reasons for the decision regarding medical necessity.*



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## Writing NOABD Narratives

**NOTICE OF ADVERSE BENEFIT DETERMINATION  
About Your Treatment Request**

**Date**

**Beneficiary's Name**  
Address  
City, State Zip

**Treating Provider's Name**  
Address  
City, State Zip

**RE: Service requested**

You are currently receiving **Service to be terminated**. Beginning on **termination date** we will no longer approve this treatment.

**This is because** *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 plan authorization procedures that support the action, and 3. The clinical reasons for the decision regarding medical necessity.*

Date services will be terminated

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## Writing NOABD Narratives

**NOTICE OF ADVERSE BENEFIT DETERMINATION  
About Your Treatment Request**

**Date**

**Beneficiary's Name**  
Address  
City, State Zip

**Treating Provider's Name**  
Address  
City, State Zip

**RE: Service requested**

You are currently receiving **Service to be terminated**. Beginning on **termination date** we will no longer approve this treatment.

**This is because** *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 plan authorization procedures that support the action, and 3. The clinical reasons for the decision regarding medical necessity.*

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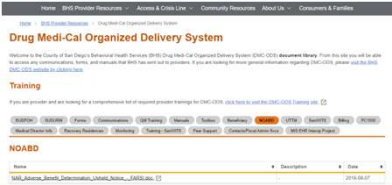
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## NOABD Attachments

- The NOABD "Your Rights" Notice
- The NOABD "Language Assistance" Notice
- The Beneficiary Non-Discrimination Notice



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## Delivering a Notice

- NOABDs must be communicated to the client in writing and can be mailed or hand-delivered.
- The notice must be documented in the NOABD Log, along with the mode of delivery. (The Log will be discussed in an upcoming slide)
- The notice should be sent to the client at their last known address on file. If hand-delivered, providers are encouraged to verbally explain the NOABD along with its issuance, if possible.



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## Process for Issuing NOABD

- Issue the appropriate NOABD and three attachments within timelines as described in previous slides
- Have (and follow) a written policy and procedure addressing the following regarding NOABDs:
  - Collecting
  - Storing (recommended 10 years after discharge for adults; Minors until age 18 reached plus seven years)
  - Filing
  - Mailing
  - Tracking on NOABD Log (see next slide)
  - See SUDPOH Sections E & G for more info



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## Completing the NOABD Log

- Date NOABD issued
- Beneficiary ID Number
- Beneficiary Response
- Type of NOABD given (or No NOABD issued if there were none for the month)
- Mode of Delivery
- List of attachments sent with the NOABD
- Submitted quarterly to the QA Analyst
- Quality Assurance may review at time of a performance review
- The NOABD Log may be found on the Optum Website under the NOABD tab



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## Rescinding an NOABD

- Programs have the option to rescind an NOABD.
- Examples include the return of a client to a program prior to the end of the 10-day period or if a client's behavior improves
- Program should log the rescinded NOABD for tracking purposes and document in the chart.



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## NOABD: Termination Notice

### Criteria:

A program terminates a client's treatment because they no longer meet criteria for that specific program or level of care.

### Compliance:

A client leaves the program without prior notice, the program is unable to contact the client, and the program decides to discharge.

### Safety:

A client's behavior is posing a risk to staff or others at a residential program, and the program terminates client's treatment.



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## NOABD: Denial of Authorization Notice

The Plan denies a request for service, including determinations based on type or level of service, requirements for medical necessity, appropriateness, setting or effectiveness of a covered benefit.

### Example:

A client is denied prior authorization for 3.1 Residential level of care because they do not meet criteria for 3.1 Residential level of care

### Example:

A client contacts a Withdrawal Management program but meets criteria for Outpatient Level of Care



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## NOABD: Timely Access Notice

When there is a delay in providing the beneficiary with services, as required by the timely access standards as required for level of care.

**Example:**  
At intake a client requests a bilingual counselor. Your program's bilingual counselor does not have availability for one month.

**Example:**  
Your program, which meets client's level of care, has a three-week wait for intake appointments.



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## NOABD: Modification Notice

**Criteria:**  
When Optum 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.

**Example:**  
A residential program submits an authorization request for 90 days but is only approved for 45.



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## NOABD: Authorization Delay Notice

Issued when the Plan extends the timeframe to make an authorization decision, delaying the processing of a provider's request.

**Example:**  
The County granted an extension to gain additional information from the beneficiary or provider, as it is deemed in the beneficiary's interest.

**Please note that this notice is typically issued by the County.**



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## NOABD: Payment Denial Notice

Issued when the County 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.

### Example:

Program bills the county for services provided to client with private health insurance and client does not meet income eligibility for DMC-ODS.

Please note that this notice is typically issued by the County.



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## NOABD: Financial Liability Notice

The Plan denies a beneficiary's request to dispute financial liability, including cost-sharing and other beneficiary financial liabilities.

### Example:

Patient seeks to dispute the provider's request for payment in the amount of the Medi-Cal share of costs.

Please note that this notice is typically issued by the County.



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## NOABD: Delivery System Notice

- Reminder: The Delivery System Notice does not apply to SUD services.
- All other forms of NOABD, however, do apply to SUD services and should be used accordingly.



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## Exceptions to Requirements & Timelines

• Depending upon the client and the specific situation, there are certain exceptions that may apply under 42 CFR:

**CLIENT AGREEMENT**  
If the client provides a written letter indicating that they agree to the termination of services, the program does not have to keep the client open for 10 days. Instead, they can close the client to services immediately, but must issue the NOABD.

**SUCCESSFUL COMPLETION**  
A NOABD is not required when a client has a planned, successful discharge, and the client agrees with the discharge.

**SAFETY**  
If the safety of individuals in the residential facility would be endangered, the notice must be made as soon as practicable before transfer or discharge for residential programs.

**HEALTH**  
If the health of individuals in the residential facility would be endangered, the notice must be made as soon as practicable before transfer or discharge.

**CLIENT'S HEALTH**  
If an immediate transfer or discharge is required by the client's urgent medical needs, the notice must be made as soon as practicable before transfer or discharge.

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## NOABD and Appeals

Clients who disagree with their discharge or other adverse determination may file an appeal. Standard Appeals may take up to 30 days to resolve. Expedited appeals have up to 72 hours to be completed.

**1.**

The Plan or Provider issues the applicable notice to the client, which explains their rights to an appeal, to request a continuation of services (also known as aid paid pending), and to request a State Fair Hearing.

**2.**

An appeal must be requested by the client who receives the notice. Appeals may be requested in writing, or orally, and must be requested within 60 calendar days from the date on the NOABD.

**3.**

JIS or CCH&A will obtain written consent from the client and begin an investigation. This may involve reviewing program policies and procedures, reviewing portions of the client's file, obtaining input from an independent clinical consultant, and interviewing any staff members involved.

**4.**

JIS or CCH&A will issue a recommended Appeal Resolution Letter to the client, the program, and the County. The County then makes the final determination as to whether the decision on the notice is upheld or overturned.

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## NOABD and the Right to Appeal

All clients have the right to appeal the determination stated in their NOABD.

**CONTINUATION OF SERVICES**

Clients have the right to continue receiving services during the appeal process (42 CFR § 438.420). This is also known as Aid Paid Pending.

**CLIENT REQUESTS**

Appeals may be requested in writing or orally by the client. Client must request the appeal within 60 calendar days of the date on their NOABD.

**STATE FAIR HEARING**

If a client disagrees with the outcome of the appeal process, they may request a State Fair Hearing.

**DOCUMENTATION**

Certain documents explaining the client's rights are required to be issued with all notices and with all appeal resolutions, regardless of the outcome. These documents are available on Optum San Diego's website, NOABD Tab, in all threshold languages.

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## Frequently Asked Questions (FAQ)

If a client is unhoused and a termination notice needs to be issued, and the program is not able to get a hold of the client, will the program document the inability to get a hold of the client, log the NOABD, and file the Termination Notice in their onsite NOABD binder?

- Yes, however if there is an emergency contact identified in the client's file AND an ROI for the emergency contact present, the NOABD can be sent to the emergency contact and a copy of the NOABD kept at the program in the NOABD log.

What happens if the client never shows up for treatment after admission or never returns to treatment?

- The program must issue an NOABD (Termination Notice) when discharging for non-compliance, including not returning to treatment.



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## Frequently Asked Questions (FAQ)

To whom do I send the NOABD if the client is on probation or is a minor dependent of the court?

- It can be sent to the Protective Services Worker and to the child directly at their placement.

Is an NOABD required for transfer to a psychiatric hospital or long-term care facility?

- If the client remains open to your program during their stay at the facility, no issuance of NOABD would be required. However, if the program chooses to discharge the client, the Termination Notice would be issued.

Must an NOABD be issued if a client is admitted to an institution where they are ineligible for services (e.g. jail, juvenile hall, state hospital)?

- Although exempt from the 10-day requirement, an NOABD should be issued to the last known address of the client.



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## Frequently Asked Questions (FAQ)

Are there any exceptions to issuing of a NOABD when a client voluntarily terminates services early?

- A program may expedite the issuance of the Termination Notice and close the client prior to the 10-day requirement if a clear written statement signed by the client indicating that they no longer wish to receive services is obtained.
- While a letter that the client creates and signs will be acceptable as an exception to advance (10-day) notice, a standardized form will not be acceptable.
- Verbal confirmation or an email from a client that they no longer want services is not sufficient to remove the requirement of completing an NOABD. The Termination Notice must still be issued.



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## Frequently Asked Questions (FAQ)

If a person passes away while in treatment is an NOABD required?

- While this is not a requirement, the program may choose to issue a notice.

If you screen a client who is requesting services, by phone or in person, for enrollment and determine the client is not appropriate for your program do you need to issue an NOABD? (This includes Initial Screening)

- Yes, this would require a Denial of Authorization Notice, as this includes determinations based on type or level of service.
- This Notice would also be sent when a third party makes a referral to the program, of which the client is aware, but the client does not meet medical necessity for the level of care.



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## Frequently Asked Questions (FAQ)

What is the date of discharge from the program, the day the notice is provided or at the end of the 10 days?

- Barring an exception to the 10-day advance notice, the date of discharge should coincide with the expiration of the 10-day advance notice period.

In the NOABD log kept on program premises, must we keep copies of all 3 attachments along with a copy of the NOABD?

- The log should contain the NOABD along with the "Your Rights" attachment.



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## NOABD: Resources

- DHCS – [www.dhcs.ca.gov](http://www.dhcs.ca.gov)
- Optum – [www.optumsandiego.com](http://www.optumsandiego.com)  
-NOABD, Beneficiary, SUDPOH, SUDURM Tabs
- Quality Assurance (QA) - [QIMatters.HHSA@sdcounty.ca.gov](mailto:QIMatters.HHSA@sdcounty.ca.gov)
- Jewish Family Service of San Diego Patient Advocacy Program - <https://www.jfssd.org/patientadvocacy>
- Legal Aid Society of San Diego Consumer Center for Health Education & Advocacy (CCHEA) - <https://www.lassd.org/>



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Thank you for participating in today's training!



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