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**SAPC BULLETIN NO. 19-05**

October 24, 2019

**TO:** Los Angeles County Substance Use Disorder  
Contracted Treatment Network Providers

**FROM:** Gary Tsai, M.D., Interim Division Director *GT*  
Substance Abuse Prevention and Control

**SUBJECT: NOTICE OF ADVERSE BENEFIT DETERMINATION**

The California Department of Health Care Services (DHCS) released the Mental Health & Substance Use Disorder Services (MHSUDS) Information Notice (IN) No. 18-010E, titled, Federal Grievance and Appeal System Requirements with Revised Beneficiary Notice Templates on March 27, 2018. The purpose of the notice was to provide Drug Medi-Cal Organized Delivery System (DMC-ODS) participating counties with instructions on how to interpret and implement the revised federal regulations for processing grievances and appeals related to the mandated Notices of Adverse Benefit Determination (NOABD).

In accordance with MHSUDS IN No. 18-010E, Substance Abuse Prevention and Control (SAPC) is releasing this Information Notice to alert all contracted Substance Use Disorder Treatment (SUD) and treatment providers about their roles and responsibilities for issuing NOABDs and responding to appeals.

SAPC has been working for the past year, both internally and with providers during SAPC-administered meetings, to prepare a workflow that achieves the requirements with the greatest efficiency. The NOABDs cover different areas in the problem resolution process. Each area has a role for either of both SAPC and SUD Treatment Providers. A NOABD (or written notice) is sent by SAPC or its provider network when either entity takes an action that meets the following criteria:

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 coverer 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.

DHCS has provided mandated templates for these written notices. These templates must be used: **NO CHANGES TO THE TEMPLATES ARE ALLOWED.** In addition to the written notices, the three documents listed in the table below **MUST** be attached when sending (or hand delivering) to the patient. For more information on these attachments, see MHSUDS 18-010E.

**SAPC & PROVIDER RESPONSIBILITIES**

The table below identifies under which circumstances SUD Treatment Providers have primary responsibility for issuing an NOABD to patients. The table also provides requirements for timeframes and the required attachments. Additional information is available in SAPC’s Provider Manual.

NOTICE	TIMEFRAME*	REQUIRED ATTACHMENTS
Termination of Previously Authorized Service	At least ten (10) business days prior to the date of action	“Your Rights”, Language Assistance Taglines, Beneficiary Non-Discrimination Notice
Failure to Provide Timely Access to Services	Within two (2) business days	“Your Rights”, Language Assistance Taglines, Beneficiary Non-Discrimination Notice

\*Timeframes may be extended under specific conditions. See MHSUDS 18-010E for more information.

**PROVIDER REQUIREMENTS**

Provider must ensure that all relevant notices are issued to patients, including applicable attachments and in accordance with guidelines and timeframes. Additionally, notices should be provided in the patients preferred language, when requested. If you require these documents in another language, please contact SAPC’s Equitable Access and Promotion Unit at [epu@ph.lacounty.gov](mailto:epu@ph.lacounty.gov).

To ensure effective implementation of NOABD requirements, providers must also abide by the following:

- **NOABD Log:** Providers must log all notices distributed to patients. The log must include the patient name, type of notice, date of issuance, date of action/determination (as appropriate), included attachments, and any other relevant information deemed necessary by the provider. The log must be submitted to SAPC on a quarterly basis to [sapcmonitoring@ph.lacounty.gov](mailto:sapcmonitoring@ph.lacounty.gov) or upon request.
- **Policy and Procedure:** Providers must develop and implement policies and procedures to ensure there is a uniform and effective plan to implement the requirements outlined in this notice, MHSUDS IN 18-010E, Provider Manual, and any other relevant guidelines.

- Record Retention: All notices must be kept in patient files and in accordance with the record retention guidelines in the contract.
- Notification to SAPC: The provider's assigned Contract Program Auditor should be sent a copy of all notices issued to patients.

If have any questions or need additional information, please contact your Contract Program Auditor.

Attachment

c: Daniel Deniz  
County Counsel

