



Section: <b>Customer Service</b>	Procedure Name: <b>Adverse Benefit Determination Procedure</b>	Procedure #: <b>P06.04.02</b>
Overarching Policy: <b>06.04 Customer Appeal System</b>		
Owner: <b>Customer Services Manager</b>	Reviewed By: <b>Sarah Ameter</b>	Total Pages: <b>4</b>
Required By: <input checked="" type="checkbox"/> <b>BBA</b> <input checked="" type="checkbox"/> <b>MDHHS</b> <input type="checkbox"/> <b>NCQA</b> <input type="checkbox"/> <b>Other (please specify):</b> —	Final Approval By:  <i>Sarah Ameter</i>	Date Approved:  Nov 12, 2024
Application: <input checked="" type="checkbox"/> <b>SWMBH Staff/Ops</b> <input type="checkbox"/> <b>Participant CMHSPs</b> <input type="checkbox"/> <b>SUD Providers</b> <input type="checkbox"/> <b>MH/IDD Providers</b> <input type="checkbox"/> <b>Other (please specify):</b> _____	Line of Business: <input checked="" type="checkbox"/> <b>Medicaid</b> <input type="checkbox"/> <b>Other (please specify):</b> <input checked="" type="checkbox"/> <b>Healthy Michigan</b> _____ <input checked="" type="checkbox"/> <b>SUD Block Grant</b> <input checked="" type="checkbox"/> <b>SUD Medicaid</b>	Effective Date: <b>10/1/24</b>

**Policy:** 06.04 Customer Appeal System

**Purpose:** This procedure addresses the process for notifying customers and contracted providers of the denial of requested Substance Use Disorder (SUD) or Mental Health services as determined by Southwest Michigan Behavioral Health (SWMBH) Utilization Management staff or Medical Director. This procedure is for internal use at SWMBH.

**Scope:** Customer Services and Utilization Management

**Responsibilities:** SWMBH Customer Service and Utilization Management (UM) staff shall ensure compliance with the standards and guidelines outlined in this procedure and guiding documents including contractual agreements and regulatory requirements.

**Definitions:** See policy for Customer Appeal System

**Procedure:**

**A. Medical Necessity Denial**

1. A clinical decision is made to deny Medicaid services using medical necessity criteria.
2. UM Staff will provide information to customer service to be included in the Adverse Benefit Determination (ABD) notice.
  - a. Information must include: member name and address, member’s Medicaid ID number, customer’s chart number, type of service(s) denied, name and credentials of staff making the



determination, effective date, clinical rationale for determination, any treatment recommendations, and the medical necessity criteria used for making the determination.

- b. Customer service will complete the ABD based on the information provided and will mail the notice to the customer or representative (parent of a minor, guardian, etc.) according to the timeframes and ABD requirements stated in SWMBH policies for Customer Appeal Systems, and Service Authorization Outlier Management.
  - i. If an extension of the timeframe for authorization decision is needed, the ABD will be sent no later than the date the extension expires. See Extension of Authorization Decisions below.
3. The ABD will include required information for the member regarding their due process and appeal rights as described in SWMBH policy for Customer Appeal Systems.
4. A copy of the ABD notice will be uploaded to the customer's electronic file.
5. If a provider is making the request for services on behalf of the customer, the provider will be notified of the denial, reduction, suspension, or termination verbally or in writing.
  - a. If verbally, customer service will document the date/time of notification in the electronic record.
  - b. If in writing, customer service will:
    - i. Upload a copy of the ABD to the provider chart and send an electronic message informing the provider of the ABD being uploaded, OR
    - ii. Mail a physical copy of the ABD to providers who do not have electronic system access.

#### B. Extension of Authorization Decisions

1. If an authorization decision cannot be made within the prescribed timeframes, UM staff may determine the need for an extension of the timeframe. The extension may not exceed 14 additional days from the original due date.
2. SWMBH may extend the timeframes for authorization decisions and notice only when:
  - a. The customer or provider requests an extension, or
  - b. If SWMBH can justify to MDHHS and/or CMS that the extension is in the customer's best interest; and there is a reasonable likelihood that receipt of such information would lead to approval of the request, if received; and such outstanding information is reasonably expected to be received within the extension timeframe.
3. UM staff will notify customer services of the need for an extension of the timeframe for an authorization decision.
  - a. UM staff will include member name and address, the type of service(s) requested, the date service(s) were first request, the rational of the need for an extension, and the date that the extension will expire.
4. If an extension is taken, customer service will make reasonable efforts to provide the customer or authorized representative (parent of a minor, guardian, etc.) with prompt oral notice of the delay and document the call in the customer record. Customer Service and CMHSP staff will, within 2 calendar days, provide the customer or authorized representative written notice of the reason for the decision to extend the timeframe and include information on their right to file a grievance regarding the extension.



5. UM staff will make a decision on the authorization as expeditiously as the customer's health condition requires and the ABD notice will be issued by Customer Service no later than the date the extension expires.

**Effectiveness Criteria:** Effectiveness of this procedure will be measured by complete documentation and timely processing of customer notification of denials, suspensions, reductions, or terminations of service.

**References:** Customer Appeal Systems Policy  
Service Authorization Outlier Management Policy

**Attachments:** None



## Revision History

Revision #	Revision Date	Revision Location	Revision Summary	Revisor
0	7/1/2020		New procedure	H. Woods
1	6/25/2021	Definitions, Procedure A2b, A3, References	Editing in-text policy references	H. Woods
2	8/6/2021	Procedure B4	Clarifying oral/written notice of auth extensions	H. Woods
3	11/1/22	Procedure and References	Updating reference as policy 6.4 has been renamed to Customer Appeal Systems	H. Woods
4	3/1/23	Procedure B4	Added that oral notification will be documented in record	H. Woods
5	8/1/24	Procedure B5	Clarifying language on provision of ABD after extension.	H. Woods
6	10/1/24	Procedure B2b	Annual Review	H. Woods






# P06.04.02 Adverse Benefit Determination

Final Audit Report

2024-11-12

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