



## POLICY AND PROCEDURE MANUAL

SUBJECT Denial of Payment	ACCOUNTABILITY	Effective Date: 10/21/2021	Pages: 2
REQUIRED BY 42CFR 438.404(c)(2)	Providers	Last Review Date:	Past Review Date:
Policy: <input checked="" type="checkbox"/>  Procedure: <input checked="" type="checkbox"/>	Review Cycle: Annually  Author: Customer Services Specialist	Responsible Department: Customer Service.	Reviewers: Customer Services Specialist

### Definitions

CFR: Code of Federal Regulations

CMHSP: Community Mental Health Service Program

Consumer: Refers to individuals who are eligible to receive specialty mental health and substance use disorder services, as well as those currently receiving such services and their families/guardians (for the purpose of NMRE policy, these terms are used interchangeably).

MDHHS: Michigan Department of Health and Human Services

NMRE: Northern Michigan Regional Entity

PIHP: Prepaid Inpatient Health Plan

SUD Provider: Refers to a Substance Use Disorder Provider.

### Purpose

To ensure that consumers and providers of Substance Use Disorder (SUD) services and behavioral health services funded in whole or in part by Northern Michigan Regional Entity (NMRE), receive timely and accurate notification in the event that a request for payment of an authorized service is denied.

### Policy

1. The NMRE shall notify the requesting provider and the consumer in the form of a written notice (Adverse Benefit Determination) when the payment of a claim is denied.
2. The NMRE shall monitor CMHSPs to ensure timely written notification (Adverse Benefit Determination) is sent to the consumer when a claim is denied.

## **Procedure**

### **A. SUD Providers:**

1. When a decision is made by the NMRE's Billing and Claims Department to deny a claim, this decision is sent to the Access Department.
2. The NMRE's Access Department shall notify the requesting provider orally within 24 hours when a claim is denied.
3. The Access Department or a designee shall generate and send an Adverse Benefit Determination to both the provider and the consumer within 2 days of receiving a request for payment.
4. Notification shall be made utilizing the state-mandated Adverse Benefit Determination Notice.

### **B. CMHSPs**

1. The CMHSPs are responsible for generating an Adverse Benefit Determination for denial of payment of a Mental Health service.
2. CMHSPs shall have a written policy/procedure outlining their process for providing notification to consumers.
3. Notification shall be made utilizing the state-mandated Adverse Benefit Determination Notice.
4. NMRE shall monitor the CMHSPs to ensure compliance with notification standards during the annual site review process.

## **REFERENCES**

1. 42 CFR 438.400 Appeals and Grievances
2. MDHHS Medicaid Specialty Services Contract, Section 6.3.2: Information Requirements

Approval Signature

  
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NMRE Chief Executive Officer

10-21-21  
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Date