POLICY AND PROCEDURE MANUAL

Policy Title: Determination of Medical Necessity	**Policy Number: I.06**
Primary Department: Medical Management **Affiliated Department(s): N/A**	**NCQA Standard: N/A** **URAC Standard: N/A**
Last Revision Date: 07/30/2020 **Revision Dates: 12/16/2011; 8/04/2012; 04/29/2013; 05/01/2014; 04/30/2015; 03/07/2016; 09/12/2016; 07/28/2017; 08/24/2018; 09/30/2019; 07/30/2020** **Effective Date: 11/16/2010**	**Next Review Date: 09/30/2021** **Review Dates: 01/14/2011; 12/16/2011; 09/26/2012; 06/28/2013; 06/27/2014; 06/26/2015; 03/25/2016; 09/23/2016; 09/28/2017; 09/26/2018; 09/30/2019; 07/30/2020; 09/2020**
Applicable Lines of Business: ☐MeridianCare ☒MeridianHealth ☐MeridianComplete ☒MeridianChoice	
Applicable States: ☐All ☒MI ☒IL ☐OH ☐_____ ☐_____	
Applicable Programs: ☒All ☐Other _____	
Policy is to be published: Internally Only ☐ Internally & Externally ☒	

All Requests must go for secondary Medical Director Review

Policy: Michigan: "Medically Necessary covered services are defined as services related to one or more of the following:

- **a)** The prevention, diagnosis, and treatment of health impairments.
- **b)** The ability to achieve age-appropriate growth and development.
- **c)** The ability to attain, maintain, or regain functional capacity."

Illinois: "A Medically Necessary service is a service that is appropriate, no more restrictive than that used in the Illinois Medicaid program, including quantitative and non-quantitative treatment limits, as indicated in State statutes and regulations, the State Plan, and other State policy and procedures, and meets the standards of good medical practice in the medical community, as determined by the Provider in accordance with Plan's guidelines, policies, or procedures, for the diagnosis or treatment of a covered illness or injury, for the prevention of future disease; to assist in the Enrollee's ability to attain, maintain, or regain functional capacity; for the opportunity for an Enrollee receiving LTSS to have access to the benefits of community living, to achieve person-centered goals, and live and work in the setting of the Enrollee's choice; or for Enrollee to achieve age-appropriate growth and development."

A service may be covered, but the coverage may be limited to certain diagnoses or, if a service is considered investigational, experimental, or without proven efficacy, the service may be denied as not reasonable and necessary, resulting in the denial of claims. To ensure that services being paid for by Medicare are medically necessary. MHP may use the following guidelines to make medical necessity decisions (listed in order of significance) on a case-by-case basis, based on the information provided on the member's health status:

A. Federal law (e.g., National Coverage Determinations (NCD), Local Coverage Determinations (LCD), and Medicare Coverage Articles for programs under Federal oversight such as Medicare);

B. State law/guidelines (e.g., when State requirements trump or exceed federal requirements);

C. In the case of no guidance from A & B, additional information that the applicable Health Plan Medical Director will consider, when available, includes:

1. Reports from peer reviewed medical literature, from which a higher level of evidence and study quality is more strongly considered in determinations;
2. Professional standards of safety and effectiveness recognized in the US for diagnosis, care, or treatment;
3. Nationally recognized drug compendia resources such as Facts & Comparisons® (NCCN, DRUGDEX®, and The National Comprehensive Cancer Network®) Guidelines
4. Medical association publications;
5. Government-funded or independent entities that assess and report on clinical care decisions and technology such as Agency for Healthcare Research and Quality (AHRQ), Hayes Technology Assessment, Up-To-Date, Cochrane Reviews, National Institute for Health and Care Excellence (NICE), etc.:
6. Published expert opinions;

Medical Decision-Making: From a medical decision-making standpoint, physicians provide services and order tests based on their clinical judgment for treating patient illness or injury. Although a recommended treatment is based on the determination of medical necessity or appropriateness for care of the patient, and even though the treatment falls within the scope of professionally accepted medical practice, it does not mean the service will be covered. Even if a service is considered reasonable and necessary, coverage may be limited if the service is provided more frequently than allowed under a national or local coverage policy, or more frequently than the current standards of care.

Determination of coverage is based on plan documents and MHP Medical Policies. Technology reviews may include literature reviews, formal technology assessments, and inputs from providers. In the absence of applicable plan documents, medical policy, or technology review, coverage and medical necessity decisions will be based on Medicare coverage criteria.

Procedure: Documentation is integral to supporting the medical necessity for the service. Remember that from a coding and auditing perspective, nothing can be assumed. The most clear cut way to support medical necessity in an audit is documenting medical decision-making. Complete documentation of the physician "thought process," including issues being ruled out will support medical necessity and higher levels of services billed.

MHP will use the following criteria to determine the medical necessity of specific items and services:

- Consistent with the symptoms or diagnoses of the illness or injury under treatment
- Necessary and consistent with generally accepted professional medical standards (i.e., not experimental or investigational)
- Not furnished primarily for the convenience of the patient, caregiver, the attending physician, or another physician or supplier
- Furnished at the most appropriate level that can be provided safely and effectively to the patient.
- Evidence that a similar outcome cannot be achieved through a lower-cost medically necessary alternative.

In making the determination of medical necessity, MHP will use current evidence based guidelines published by specialists listed in the American Board of Medical Specialties, Nationally recognized organizations such as National Guideline Clearinghouse, and Medicare Local and National Coverage Determinations. Additionally, Meridian will defer

to coverage explicitly stated in the provider manual, or published on the State Medicaid Website.

Line of Business Applicability:
This policy applies to Michigan Medicaid, Illinois Medicaid, and Commercial plans.

For **Medicaid/Medicaid Expansion Plan** members, this policy will apply. Coverage is based on medical necessity criteria being met and the codes being submitted and considered for review being included on either the Michigan Medicaid Fee Schedule (located at:https:www.michigan.gov/mdhhs/0.5885.7-339-71551 2945 42542 42543 42546 42553-87572--,00.html), or the Illinois Medicaid Fee Schedule (located at: http://www.illinois.gov/hfs/MedicalProviders/MedicaidReimbursement/Pages/default.aspx). If there is a discrepancy between this policy and either the Michigan Medicaid Provider Manual (located at: https://www.michigan.gov/mdhhs/0,5885,7-339-71551 2945 42542 42543 42546 42553-87572--,00.html), or the Illinois Medicaid Provider Manual (located at: http://www.illinois.gov/hfs/MedicalProviders/Handbooks/Pages/default.aspx)the applicable Medicaid Provider Manual will govern.

For **Individual** members, consult the individual insurance policy. If there is a discrepancy between this policy and the individual insurance policy document, the guidelines in the individual insurance policy will govern.

Medical Necessity Definitions by Market

Michigan Medicaid defines Medically Necessary services as Covered Services (1) which are reasonably calculated to prevent, diagnose, prevent the worsening of, alleviate, correct, or cure conditions in the Enrollee that endanger life, cause suffering or pain, cause physical deformity or malfunction, threaten to cause or to aggravate a disability, or result in illness or infirmity; and (2) for which there is no other medical service or site of service, comparable in effect, available, and suitable for the Enrollee requesting the service, that is more conservative or less costly.

Illinois Medicaid defines Medically Necessary services as follows: A service is Medically Necessary when it is appropriate, no more restrictive than that used in the State Medicaid program, including quantitative and non-quantitative treatment limits, as indicated in State statutes or regulations, the State Plan, and other State policy and procedures, and meets the standards of good medical practice in the medical community, as determined by the Provider in accordance with Contractor's guidelines, policies, or procedures, for the diagnosis or treatment of a covered illness or injury; for the prevention of future disease; to assist in the Enrollee's ability to attain, maintain, or regain functional capacity; for the opportunity for an Enrollee receiving LTSS to have access to the benefits of community living, to achieve person-centered goals, and live and work in the setting of the Enrollee's choice, or for an Enrollee to achieve age-appropriate growth and development.

Meridian Choice defines Medically Necessary services as services or supplies needed for diagnosing, caring for or treating a physical or mental condition. The services and supplies must be based on generally accepted medical or scientific evidence and consistent with generally accepted practice parameters such that they are accepted professionally in the United States as effective, appropriate, and essential, based upon nationally accepted standards of the health care specialty involved and in the terms of the type, amount, frequency, level, setting, and duration to Your diagnosis or condition. Medically Necessary services or supplies are (a) reasonable required for the treatment or management of the medical condition; (b) commonly and customarily recognized by Physicians as appropriate in the treatment or management of the medical condition; and (c) other than educational or Experimental in nature. With respect to an inpatient stay in a Hospital, "Medically Necessary" further means that the physical condition requires inpatient admission and that safe and effective treatment cannot be provided as an outpatient.

State specific special instructions:

None: ☒
MI:
IL:
OH:

References:

1. MDCH Medicaid Provider Manual. General Information for Providers (Version Date July 1, 2020).
2. Illinois Health and Family Services. Practitioners Handbook (Version Date: July 2020).
3. "Compilation of the Social Security Laws". Section 1862 [42 U.S.C. 1395y]
4. Medicare Benefit Manual, Chapter 16 – General Exclusions from Coverage. Section 20. Updated: 11/06/2014

State Letters/ Bulletins					
CMS National/Local Coverage Determination (NCD/LCD)					
Medicare Managed Care Manual:	Ch 16 General Exclusions from Coverage Sec 20 (Rev 198, 11/06/2014)				
Medicaid CFR:					
State Administrative Codes:					
Contract Requirements:					
Related Policies:					