


MEDICAL POLICY	Definition: Medical Necessity
Effective Date: 11/1/2021  11/1/2021	Medical Policy Number: 38 Technology Assessment Committee Approved Date: 8/00; 2/00; 11/00; 11/04; 10/05; 5/07; 6/09 Medical Policy Committee Approved Date: 11/01; 12/02; 11/03; 10/10; 6/13; 8/14; 9/15; 12/15; 5/16; 7/17; 3/18; 8/19; 12/19; 5/2020; 11/2020; 12/2020; 10/2021
Medical Officer Date	

See Policy CPT/HCPCS CODE section below for any prior authorization requirements

SCOPE:

Providence Health Plan, Providence Health Assurance, Providence Plan Partners, and Ayn Health Solutions as applicable (referred to individually as “Company” and collectively as “Companies”).

APPLIES TO:

All lines of business

BENEFIT APPLICATION

Medicaid Members

Oregon: Services requested for Oregon Health Plan (OHP) members follow the OHP Prioritized List and Oregon Administrative Rules (OARs) as the primary resource for coverage determinations. Medical policy criteria below may be applied when there are no criteria available in the OARs and the OHP Prioritized List.

POLICY CRITERIA

- I. Health care services are determined to be **medically necessary** if they are healthcare services or products that a physician, exercising prudent clinical judgement, would provide to a patient for the purpose of evaluating, diagnosing, preventing, or treating illness (including mental illness), injury, disease or its symptoms, and that are:
 - A. In accordance with generally accepted standards of medical practice*; **and**
 - B. Clinically appropriate, in terms of type, frequency, extent, site, and duration, and considered effective for the patient’s medical condition; **and**
 - C. Not primarily for the convenience of the patient, physician, or other health care provider; **and**
 - D. Not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis, prevention, or treatment of that patient’s illness, injury, or disease. In addition, medical necessity

determination standards and any other quantitative or non-quantitative treatment limitations applied to Covered Services may be no more restrictive than those applied to Fee-for-Service Covered Services.

Generally Accepted Standards of Medical Practice:

Generally accepted standards of medical practice are standards that are based on credible scientific evidence published in peer-reviewed medical literature generally recognized by the relevant medical community, physician specialty society recommendations, and the views of physicians practicing in relevant clinical areas and any other relevant factors.

Prudent Clinical Judgement

The “prudent physician” standard of medical necessity ensures that physicians are able to use their expertise and exercise discretion, consistent with good medical care, in determining the medical necessity for care to be provided each individual patient.

Health Care Services

Health care services may include, but are not limited to, medical, behavioral, surgical, diagnostic tests, substance use treatment, other health care technologies, supplies, treatments, procedures, drug therapies or devices.

INSTRUCTIONS FOR USE

Company Medical Policies serve as guidance for the administration of plan benefits. Medical policies do not constitute medical advice nor a guarantee of coverage. Company Medical Policies are reviewed annually and are based upon published, peer-reviewed scientific evidence and evidence-based clinical practice guidelines that are available as of the last policy update. The Companies reserve the right to determine the application of Medical Policies and make revisions to Medical Policies at any time. Providers will be given at least 60-days notice of policy changes that are restrictive in nature.

The scope and availability of all plan benefits are determined in accordance with the applicable coverage agreement. Any conflict or variance between the terms of the coverage agreement and Company Medical Policy will be resolved in favor of the coverage agreement.

REGULATORY STATUS

Mental Health Parity Statement

Coverage decisions are made on the basis of individualized determinations of medical necessity and the experimental or investigational character of the treatment in the individual case. In cases where medical necessity is not established by policy for specific treatment modalities, evidence not previously

considered regarding the efficacy of the modality that is presented shall be given consideration to determine if the policy represents current standards of care.

REFERENCES

1. American Medical Association; Statement of the American Medical Association to the Institutes of Medicine's Committee on Determinations of Essential Health Benefits; January 14, 2011
2. The National Academies of Sciences Engineering Medicine; Essential Health Benefits: Balancing Coverage and Cost; Appendix G: Medical Necessity; 2012; Accessed: 9/17/2021; <https://www.nap.edu/read/13234/chapter/19>
3. Centers of Medicare & Medicaid; Medicare Managed Care Manual; Chapter 4-Benefits and Beneficiary Protections. Rev Accessed 9/17/2021; <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/mc86c04.pdf>
4. Code of Federal Regulations, 42 CFR §438.210 Coverage and authorization of services; <https://www.govinfo.gov/content/pkg/CFR-2009-title42-vol4/pdf/CFR-2009-title42-vol4-sec438-210.pdf>