

Policy Title:	Medical Necessity Decision Policy																	
Policy #:	MED 100 009	Functional Unit:	Medical Management															
Effective Date:	08/01/2018	Author:	Barbara Berger, VP Care Management Services															
NCQA Related:	No																	
Status	Effective Date	Description																
Baseline	08/17/2018	Initial version.																
Review																		
Revision																		
<p>Line of business and/or program affected by policy. Check all that apply.</p> <table border="0"> <tr> <td><input type="checkbox"/> CORPORATE</td> <td><input checked="" type="checkbox"/> TPA/ASO</td> <td><input checked="" type="checkbox"/> STAR Medicaid</td> </tr> <tr> <td><input checked="" type="checkbox"/> HMO</td> <td><input checked="" type="checkbox"/> TRS-ActiveCare</td> <td><input checked="" type="checkbox"/> CHIP/Perinatal</td> </tr> <tr> <td><input checked="" type="checkbox"/> PPO</td> <td><input checked="" type="checkbox"/> FEHB</td> <td><input checked="" type="checkbox"/> MRSA</td> </tr> <tr> <td><input checked="" type="checkbox"/> EPO</td> <td><input checked="" type="checkbox"/> Marketplace – Ind & Fam</td> <td><input checked="" type="checkbox"/> Medicare Advantage</td> </tr> <tr> <td><input checked="" type="checkbox"/> Self-funded</td> <td><input checked="" type="checkbox"/> Marketplace – SHOP</td> <td><input checked="" type="checkbox"/> Special Needs Plan (SNP)</td> </tr> </table>				<input type="checkbox"/> CORPORATE	<input checked="" type="checkbox"/> TPA/ASO	<input checked="" type="checkbox"/> STAR Medicaid	<input checked="" type="checkbox"/> HMO	<input checked="" type="checkbox"/> TRS-ActiveCare	<input checked="" type="checkbox"/> CHIP/Perinatal	<input checked="" type="checkbox"/> PPO	<input checked="" type="checkbox"/> FEHB	<input checked="" type="checkbox"/> MRSA	<input checked="" type="checkbox"/> EPO	<input checked="" type="checkbox"/> Marketplace – Ind & Fam	<input checked="" type="checkbox"/> Medicare Advantage	<input checked="" type="checkbox"/> Self-funded	<input checked="" type="checkbox"/> Marketplace – SHOP	<input checked="" type="checkbox"/> Special Needs Plan (SNP)
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I. PURPOSE:

To provide a clarification of considerations used in determination of medical necessity for covered services. To guide how FirstCare Health Plans determines medical necessity which should not deter a provider from expressing his/her judgment.

II. DEFINITIONS

Word/Term/Abbreviation	Definition
Beneficence	the ethical principal of doing of active goodness, including all actions intended to benefit others
Nonmaleficence	the ethical principle of doing no harm
Justice	the ethical principle of giving others what is due to them
Autonomy	the ethical principle of self-determination that is free from both controlling interferences by others and personal limitations preventing meaningful choice

III. POLICY STATEMENT:

FirstCare's Medical Management Department is engaged in decisions of medical necessity and propriety. FirstCare has studied and embraces the four principles of medical ethics (Beneficence, Nonmaleficence, Justice, and Autonomy), the Institute of Medicine's six imperatives for medical care (Safe, Effective, Efficient, Timely, Personalized, and Equitable) and the Institute for Healthcare Improvement's triple aim (Better Health, Better Care, Better Value). It is understood that some of these principles can be in opposition to each other (e.g. autonomy and justice or value). Efforts are extended to understand and balance these variabilities. FirstCare Medical Management exercises rational and educated judgment in determination of medical necessity.

IV. PROCEDURE:

- A. FirstCare defines medically necessary services as health care services or products that a prudent physician provides to a patient for preventing, diagnosing or treating an illness, injury, disease, medical conditions or its symptoms in a manner that is:
 1. In accordance with generally accepted standards of medical practice. Underlying most medical necessity determinations is the question of which standards are used to judge whether a service is effective or appropriate. It is useful to have strong scientific evidence documenting that a particular treatment has a particular outcome for a particular group.
 - a) In these situations, FirstCare utilizes MCG, NCCN Compendia and Guidelines, Up-To-Date, Texas Medicaid Guidelines, Evidence-based internal guidelines developed by the FirstCare Medical Technology Assessment Committee*, CMS National and Local Coverage determination, Hayes Research service, and other current resources of evidence-based care for medical necessity determinations.
 - b) For many medical treatments, however, a strong scientific base is unavailable—even for widely used interventions. In these instances, practice guidelines and consensus statements from national provider specialty organizations, and from FirstCare's Corporate Medical Advisory Committee and physician peers who have obtained Board Certification in the area of medicine in dispute are used as the standard.
 - i. FirstCare internal guidelines are developed using guidance obtained from published literature and national medical practice associations. The FirstCare Corporate Medical Advisory Committee of Community Providers who are part of the FirstCare Provider Network approves them.
 2. Clinically appropriate in terms of type, frequency, extent, site, duration, and quantity:
 - a) In instances where outcomes of a treatments are generally known and the pertinent research foundation is strong, standard protocols are appropriate and should be used for efficiency.
 - b) In instances where a person has a rare or particularly complex condition, questions about treatment effects may arise and research data may be sparse. Standard protocols should not and are not be substituted for carefully reasoned judgments based on discussions with the individual, family members, and physicians or other clinicians with demonstrated experience and expertise.
 3. Provided in the most cost-efficient way and at an appropriate duration and intensity, while still giving the Member a clinically appropriate level of care
 4. Is not primarily for the personal comfort or economic benefit of the Member, the Family, the Physician, or other provider of care, or of FirstCare or the health plan purchasers
 5. Is not a part of, or associated with, the scholastic, educational, or vocational training of the Member
 6. Is neither investigative, nor experimental.
 7. Prescribed by a Physician or other healthcare provider

- a) 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.
 - b) Unless FirstCare specifies the contrary, the term “medical necessity” entails a general determination of what works in the ordinary case. Where FirstCare presents sufficient evidence to show that a treatment is not medically necessary in the usual case, the burden lies on the patient and his or her physician to show that an individual patient is different from the usual in ways that make the treatment medically necessary within the presenting circumstances.
- B. Documentation of Patient’s Needs and Appropriate Level of Billing**
- 1. Medical necessity is the overarching criterion for payment in addition to meeting contractual requirements, individual CPT/HCPCS/Revenue code requirements, appropriate and timely documentation, and billing standards. It is not medically necessary or appropriate to bill a higher level of evaluation and management (E/M) service when a lower level of service is warranted. The volume of documentation is the primary influence upon which a specific level of service is billed. Documentation supports the level of service reported. FirstCare’s determination of medical necessity is separate from its determination that the E/M of services were rendered as billed.
 - a) FirstCare determines E/M services largely through the experience and judgment of clinician coders along with the limited tools provided in CPT and by CMS.
 - b) During an audit, FirstCare denies or adjust E/M services that, in its judgment, exceed the patient’s documented needs.
 - c) Medical necessity should not be confused with medical decision-making. FirstCare Providers should review FirstCare’s reimbursement policies and document accordingly. If not documented, the rationale for diagnostics and ancillary services should be easily inferred.
 - d) Diagnosis documentation alone is not sufficient to document medical necessity.
- C. Limitations/Exclusions:**
- 1. FirstCare’s Chief Medical Officer (CMO) and Medical Director(s) have the final responsibility for making decisions about medical necessity. Decisions about coverage are made within clinically accepted standards of medical practice and FirstCare’s decisions are final only when the decision rests on valid and reliable evidence.
 - a) In medical necessity decisions where the determination is modified by additional medical evidence, there exists an opportunity for the treating physician to provide such evidence by providing clinical documentation and opening a dialog with FirstCare’s CMO or Medical Director.
 - b) When FirstCare denies coverage for reasons of medical necessity, FirstCare facilitates the expeditious handling of physician requests for peer-to-peer clinical reviews and appeals of such denials within the FirstCare appeals process.
- D. FirstCare understands that opinions about and approaches to clinical problems may vary. Questions concerning medical necessity are welcome. A provider may request that FirstCare reconsider the application of the medical necessity criteria in light of any supporting documentation through our peer-to-peer, appeals, or complaints processes.**

V. REFERENCES:

Name	Link/Location
Hill, Jessie B. What is the meaning of Health? Constitutional Implications of Defining “Medical	Case research in Legal Studies May 2012 American Journal of Law & Medicine, 38

Necessity” and “Essential Health Benefits” Under the Affordable Care Act.	(2012): 445-470 Case Legal Studies Research Paper No. 2012-21
Defining Medical Necessity	http://www.cga.ct.gov/2007/rpt/2007-r-0055.htm
Assuring High Quality of Care for Persons With Developmental Disabilities and Other Special Health Care Needs: Specifications for a Definition of Medical Necessity	https://www.jhsph.edu/research/centers-and-institutes/womens-and-childrens-health-policy-center/publications/cshcn-medical.pdf
The Difficulties in Defining Medical Necessity	http://www.law.uh.edu/healthlaw/perspectives/Managed/001129Difficulties.html
Medical Necessity: What Is It?	http://static.aapc.com/a3c7c3fe-6fa1-4d67-8534-a3c9c8315fa0/cfa2b133-ce13-47e1-90c1-4907eba70dbd/6b9dc000-0897-4c24-9f4a-519e1f3ab372.pdf

VI. ATTACHMENTS: Yes No

Name	Link/Location

VII. APPROVAL

Committee Approval	Approval Date
Submitted for Policy and Procedure Approval	08/24/2018