

MEDICAL NECESSITY IN EPSDT

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WORKING WITH ADVOCATES

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- In January 2007, a letter of request was sent to the Division of Health Care Financing and Policy (DHCFP) from the Nevada Disability Advocacy and Law Center (NDALC) requesting that NV Medicaid revisit the definition of “medical necessity”.
- The request was as a result of a hearing and appeal for DME services for a child.

Working with Advocates

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The request was presented to the Medical Care Advisory Committee, which was created according to federal regulations. The MCAC meets quarterly and works to advise the Medicaid Administrator regarding the provision of services for the health and medical care of Medicaid recipients.

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- The advocacy group (NDALC) was present at each MCAC meeting and most of the dialogue surrounded the issue of verbiage.
- DHCFP reminded NDALC and MCAC that it was Medicaid's responsibility to spend the taxpayer's dollars prudently and wisely.
- The fiscal agent was also present at these meetings and reiterated that they had no incentive to deny services, as the advocacy group had suggested.

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- NDALC stated that the purpose for reviewing the definition of “medical necessity” was not for the convenience (i.e. Cadillac care) of the recipient, but to meet the clients needs.
- NDALC requested that the new definition include:
 - ✦ verbiage that includes “items” and “services”
 - ✦ both “treatment-oriented” and “function- oriented” language
 - ✦ “mental and developmental disorder” language

Working with Advocates

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- The MCAC worked with Nevada Medicaid and NDALC and reviewed the suggestions for the new definition.
- DHCFP reviewed definitions from other states and health insurance entities as well.
- Finally, after much discussion and many revisions, the updated definition of “medical necessity” was accepted and adopted by DHCFP at a public hearing in September, 2009.

Final Definition

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Definition of Medical Necessity, per Medicaid Services Manual, Chapter 100, Section 103.1

MEDICAL NECESSITY

“A health care service or product that is provided for under the Medicaid State Plan and is necessary and consistent with generally accepted professional standards to: diagnose, treat or prevent illness or disease; regain functional capacity; or reduce or ameliorate effects of an illness, injury or disability.”

Final Definition, cont.

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The determination of medical necessity is made on the basis of the individual case and takes into account:

1. Type, frequency, extent, body site and duration of treatment with scientifically based guidelines of national medical or health care coverage organizations or governmental agencies.
2. Level of service that can be safely and effectively furnished, and for which no equally effective and more conservative or less costly treatment is available.
3. Services are delivered in the setting that is clinically appropriate to the specific physical and mental/behavioral health care needs of the recipient.
4. Services are provided for medical or mental/behavioral reasons rather than for the convenience of the recipient, the recipient's caregiver, or the health care provider.

Final Definition, cont.



Medical Necessity shall take into account the ability of the service to allow recipients to remain in a community based setting, when such a setting is safe, and there is no less costly, more conservative or more effective setting.