

## Pediatric Medical Necessity in the Context of EPSDT

### Pennsylvania Office of Medical Assistance Programs (OMAP)

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## Outline

- Definition of medical necessity for Pennsylvania Department of Public Welfare's (DPW) Medical Assistance programs
  - Does not include CHIP
- Process of technology assessment
- Monitoring MCOs' adherence to EPSDT

## Definition of Medical Necessity

- A service, item, procedure or level of care that is necessary for the proper treatment or management of an illness, injury, or disability is one that:
  - Will, or is reasonably expected to, **prevent the onset** of an illness, condition, injury or disability
  - Will, or is reasonably expected to, **reduce or ameliorate the physical, mental or developmental effects** of an illness, condition, injury or disability
  - Will assist the recipient to **achieve or maintain maximum functional capacity in performing daily activities**, taking into account both the functional capacity of the recipient and those functional capacities that are appropriate of recipients of the **same age**

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## Medical Necessity

- Establishes a framework for EPSDT
- Definition applies to both FFS and MCOs
- Determinations are made on a case by case basis involving physician review
- Program exception process in place to request services not on the fee schedule
- Standardized appeal processes in place

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## Technology Assessment

- Technology Assessment Group (TAG)
- Review of new services, procedures, or devices
- New drugs reviewed by Pharmacy and Therapeutics Committee
- TAG members: medical directors from FFS and MCOs, reference file unit, consumers, expert medical specialists as needed

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## Technology Assessment Group

- TAG meets quarterly as needed
- Reviews focused on new requests primarily from providers or industry, new CPT code updates, or new technology assessment alerts
- Reviewers use technology assessment vendor, medical literature, CMS and other payer statements of payment policy

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## Technology Assessment Group

- Topics reviewed and categorized as:
  - Medically necessary
  - Program exception review
  - Experimental/investigational
- Operations memo sent to all MCOs to assure consistent approach
- Requests for services are always reviewed on a case by case basis

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## MCO Monitoring

- Monthly “denial log” kept for each MCO
- Denials reviewed by:
  - Service request,
  - Number of denials,
  - Number of “approved other than requested”
  - Compliance with policies for denial notices
- Monitoring of appeals

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## MCO Monitoring

- Each MCO required to have Special Needs Unit (SNU)
- SNU focused primarily on children with complex needs
- Special needs defined by recipient/family
- SNU helps to coordinate care and monitor the needs of complex children
- Each MCO submits a SNU monitoring report on engagement/activity with recipients

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## Conclusions

- Clear definition of medical necessity
- Process for technology assessment
- Process for program exception/appeals
- Clear communication via operations memo to MCOs about TAG recommendations
- MCO monitoring of denials assures a consistent approach
- Special Needs Units help recipients with complex situations

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