

# Children's Hospital and Health System Children's Community Health Plan Policy and Procedure

This policy applies to the following entity(s):

- |  |  |
|--|--|
| <input type="checkbox"/> CHW – Milwaukee                         | <input type="checkbox"/> CHW - Fox Valley                            |
| <input type="checkbox"/> CHHS Foundation                         | <input type="checkbox"/> CHW - Surgicenter                           |
| <input type="checkbox"/> CHW – Community Services Division       | <input checked="" type="checkbox"/> Children's Community Health Plan |
| <input type="checkbox"/> Children's Medical Group - Primary Care | <input type="checkbox"/> Children's Specialty Group                  |
| <input type="checkbox"/> Children's Medical Group - Urgent Care  | <input type="checkbox"/> CHHS Corporate Departments                  |

## Medical Utilization Management Policy

### SUBJECT: Medical Necessity

#### INCLUDED PRODUCT(S):

##### Medicaid

BadgerCare Plus

Care4Kids Program

##### Commercial

Together with CCHP

##### Marketplace

Together with CCHP

#### PURPOSE OR DESCRIPTION:

Explain how CCHP determines when a healthcare service or supply is medically necessary. CCHP will authorize only services and supplies that we consider medically necessary.

**Definition:** “Medically Necessary” is defined as “health-care services or supplies needed to prevent, diagnose, or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine.”<sup>1</sup>

#### POLICY:

1. For services or supplies which are included in the evidence-based guidelines of MCG, CCHP utilizes the guideline to determine when and if healthcare services or supplies are considered medically necessary.
  - a. For a healthcare service or supply which MCG has determined there are clinical conditions when it may be medically necessary, CCHP will apply the MCG criteria to determine if the requested service or supply is medically necessary

Effective: 4/17

Revised: 9/17

Reviewed: 10/21

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Developed by: CCHP Medical Directors and Executive Director Health Plan Clinical Services

- b. For a healthcare service or supply which MCG has concluded that there are currently no clinical indications for use, CCHP will consider that service or supply not medically necessary.
2. CCHP develops medical utilization management policies for specific services or supplies for any of the following conditions:
  - a. When a service or supply that is commonly requested, but the MCG guidelines do not include an evidence-based review for the service or supply.
  - b. When an existing MCG guideline requires modification of criteria to either more accurately reflect the local standard of practice within CCHP's provider network, or to best meet the needs of CCHP's membership.
  - c. When a policy is needed to ensure compliance with local, State, or Federal legislation regarding a service or supply.
3. For a new healthcare service or supply, a current one with a new application or indication, or for any service or supply without an applicable MCG guideline or a CCHP medical utilization management policy, CCHP will apply the above definition of medical necessity and consider any of the following questions which apply to the service or supply when determining whether it is medically necessary:
  - a. Is it consistent with the symptoms or diagnosis?
  - b. Is it provided according to generally accepted medical practice standards?
  - c. Is it only for custodial care?
  - d. Is it solely for the convenience of the practitioner or the covered person?
  - e. Is it experimental or investigational treatment?
  - f. Is it provided in the most cost effective care facility or setting?
  - g. Does it not exceed the scope, duration, or intensity of that level of care that is needed to provide safe, adequate and appropriate diagnosis or treatment? and
  - h. When specifically applied to a hospital confinement, does it mean that the diagnosis and treatment of the medical symptoms or conditions cannot be safely provided in the outpatient setting?

## **REFERENCES**

1. Definition of "Medically necessary" from Medicare online glossary:  
[www.medicare.gov/glossary/m.html](http://www.medicare.gov/glossary/m.html)

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