

**MEDICAL NECESSITY DETERMINATION****Effective Date:** August 27, 2019**Review Dates:** 12/01, 11/02, 11/03, 11/04, 12/05, 12/06, 12/07, 12/08, 12/09, 12/10, 12/11, 12/12, 12/13, 11/14, 11/15, 11/16, 5/17, 5/18, 5/19, 8/19, 8/20, 8/21, 8/22, 8/23, 8/24**Date Of Origin:** December 19, 2001**Status:** Current**I. POLICY/CRITERIA**

- A. Medically/Clinically Necessary is defined as services or supplies needed to diagnose or treat a physical or mental condition. Whether services or supplies are Medically/Clinically Necessary is determined in accordance with Priority Health's medical and behavioral health policies or adopted criteria that have been approved by community physicians and other providers. The determination is made by Priority Health's Medical Director, or anyone acting at the medical director's direction, in consultation with other physicians. Medically/Clinically Necessary mental health and substance use disorder services are determined by Priority Health's Behavioral Health Department.

In order to be considered Medically/Clinically Necessary, the services or supplies must:

1. Be widely accepted as effective;
2. Be appropriate for the condition or diagnosis;
3. Be essential, based upon nationally accepted evidence-based standards;
4. Cost no more than a treatment that is likely to yield a comparable health outcome; and
5. Be the most appropriate level of care and site of service which can be safely and reasonably provided.
6. In addition, for procedural services the following apply:
  - a. Surgically appropriate for the condition or diagnosis based on nationally accepted, evidence-based standards; and
  - b. Personally appropriate following use of a shared decision-making process to insure full informed consent; and
  - c. Medically appropriate based on adequate management of medical comorbidities and risk factors for death or complications

Technology reviews, outlined in medical policy *Technology Assessment #91430*, may include literature reviews, formal technology assessments, and inputs from providers.

- B. The determination of whether proposed care is a covered service is independent of, and should not be confused with, the determination of whether proposed care

is Medically/Clinically Necessary. Determinations of coverage are based on plan documents and Priority Health Medical Policy.

- C. In the absence of applicable plan documents, medical policy, or technology review, coverage and medical necessity decisions will be based on Medicare coverage criteria when available, and medical director review.
- D. Exclusions, including, but not limited to:
1. Luxury Treatment Programs, as defined below, are excluded from coverage. There is no evidence to support that Luxury Treatment Programs are superior to standard therapy or medically necessary. Definition: Treatment programs which offer resort-style amenities including, but not limited to, spas, health hydros, nature cure clinics, resort-style geographic locations such as secluded beach, mountain, or country settings and experiences that are meant to integrate with and go beyond standard rehab activities, such as fine dining, horseback riding, or swimming.
  2. Programs that utilize interventions that are not based in a federal registry of evidence-based interventions such as the Substance Abuse and Mental Health Services Administration (SAMHSA) Evidence-Based Practices Resource Center.

## II. MEDICAL NECESSITY REVIEW

Prior authorization for certain drug, services, and procedures may or may not be required. In cases where prior authorization is required, providers will submit a request demonstrating that a drug, service, or procedure is medically necessary. For more information, please refer to the [Priority Health Provider Manual](#).

## III. APPLICATION TO PRODUCTS

Coverage is subject to member's specific benefits. Group specific policy will supersede this policy when applicable.

- ❖ **HMO/EPO:** *This policy applies to insured HMO/EPO plans.*
- ❖ **POS:** *This policy applies to insured POS plans.*
- ❖ **PPO:** *This policy applies to insured PPO plans. Consult individual plan documents as state mandated benefits may apply. If there is a conflict between this policy and a plan document, the provisions of the plan document will govern.*
- ❖ **ASO:** *For self-funded plans, consult individual plan documents. If there is a conflict between this policy and a self-funded plan document, the provisions of the plan document will govern.*
- ❖ **INDIVIDUAL:** *For individual policies, consult the individual insurance policy. If there is a conflict between this medical policy and the individual insurance policy document, the provisions of the individual insurance policy will govern.*
- ❖ **MEDICARE:** *Coverage is determined by the Centers for Medicare and Medicaid Services (CMS) and/or the Evidence of Coverage (EOC); if a coverage determination has not been adopted by CMS, this policy applies.*

- ❖ **MEDICAID/HEALTHY MICHIGAN PLAN:** *For Medicaid/Healthy Michigan Plan members, this policy will apply. Coverage is based on medical necessity criteria being met and the appropriate code(s) from the coding section of this policy being included on the Michigan Medicaid Fee Schedule located at: [http://www.michigan.gov/mdch/0,1607,7-132-2945\\_42542\\_42543\\_42546\\_42551-159815--,00.html](http://www.michigan.gov/mdch/0,1607,7-132-2945_42542_42543_42546_42551-159815--,00.html). If there is a discrepancy between this policy and the Michigan Medicaid Provider Manual located at: [http://www.michigan.gov/mdch/0,1607,7-132-2945\\_5100-87572--,00.html](http://www.michigan.gov/mdch/0,1607,7-132-2945_5100-87572--,00.html), the Michigan Medicaid Provider Manual will govern. If there is a discrepancy or lack of guidance in the Michigan Medicaid Provider Manual, the Priority Health contract with Michigan Medicaid will govern. For Medical Supplies/DME/Prosthetics and Orthotics, please refer to the Michigan Medicaid Fee Schedule to verify coverage.*

#### IV. REFERENCES

1. Long TF; Committee on Child Health Financing; American Academy of Pediatrics. Essential contractual language for medical necessity in children. *Pediatrics*. 2013 Aug;132(2):398-401. doi: 10.1542/peds.2013-1637. Epub 2013 Jul 29. PMID: 23897913.
2. National Association of Insurance Commissioners. Understanding Health Care Bills: What is Medical Necessity. Available at <https://content.naic.org/sites/default/files/consumer-health-insurance-what-is-medical-necessity.pdf>

**APPENDIX A**

The following ICD-10 Codes do not support medical necessity and are not covered for commercial (fully-funded and self-funded) and Medicaid plans.

Medical services not covered for these diagnoses include but are not limited to:

- Anesthesia services
- Injections and injectable medications
- Imaging & radiology
- Laboratory and pathology services
- Physician medicine Services
- Surgery & Reconstructive Surgery

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|-----------------|--|
| F40.10          | Social phobia, unspecified   |
| F43.10 - F43.9  | Reaction to severe stress, and adjustment disorders  |
| F50.8           | Other eating disorders   |
| F51.01 - F51.9  | Primary insomnia/Hypersomnia not due to a substance or known physiological condition                         |
| F52.0 - F52.9   | Sexual dysfunction not due to a substance or known physiological condition                                   |
| F63.0 - F63.9   | Impulse disorders  |
| F65.0 - F65.9   | Paraphilias  |
| F66             | Other sexual disorders   |
| F81.01 – F81.9  | Specific developmental disorders of scholastic skills  |
| F91.0 - F91.9   | Conduct disorders  |
| F93.0 - F93.9   | Emotional disorders with onset specific to childhood   |
| F94.0 - F94.9   | Disorders of social functioning with onset specific to childhood and adolescence                             |
| F98.21          | Rumination disorder of infancy   |
| F98.3           | Pica of infancy and childhood  |
| F98.8           | Other specified behavioral and emotional disorders with onset usually occurring in childhood and adolescence |
| F98.9           | Unspecified behavioral and emotional disorders with onset usually occurring in childhood and adolescence     |
| G47.29          | Other circadian rhythm sleep disorder  |
| I83.90 - I83.93 | Asymptomatic varicose veins of lower extremities   |
| R37             | Sexual dysfunction, unspecified  |
| R41.83          | Borderline intellectual functioning  |
| R45.0 - R45.850 | Symptoms and signs involving emotional state   |
| R45.86          | Emotional lability   |
| R45.87          | Impulsiveness  |
| R45.89          | Other symptoms and signs involving emotional state   |
| R46.0 – R46.89  | Symptoms and signs involving appearance and behavior   |
| Z04.8 - Z04.9   | Encounter for examination and observation for specified and unspecified reasons                              |
| Z31.0           | Encounter for reversal of previous sterilization   |
| Z31.42          | Aftercare following sterilization reversal   |
| Z31.84          | Encounter for fertility preservation procedure   |
| Z40.8 – Z40.9   | Encounter for prophylactic surgery and unspecified   |
| Z41.1           | Encounter for cosmetic surgery   |
| Z41.3           | Encounter for ear piercing   |
| Z41.8 – Z41.9   | Encounter for procedure for purposes other than remedying health state and unspecified                       |

Z42.8	Encounter for other plastic and reconstructive surgery following medical procedure or healed injury
Z46.0 – Z46.89	Symptoms and signs involving appearance and behavior
Z53.1	Procedure and treatment not carried out because of patient's decision for reasons of belief and group pressure
Z55.0 – Z55.9	Problems related to education and literacy
Z56.0 – Z56.9	Problems related to employment and unemployment
Z57.0 – Z57.9	Occupational exposure to risk factors and other contaminants
Z59.0 – Z59.9	Problems related to housing and economic circumstances
Z60.0 – Z60.9	Problems related to social environment
Z62.0 – Z62.9	Problems related to upbringing
Z63.0 – Z63.9	Other problems related to primary support group, including family circumstances
Z64.0 – Z64.4	Problems related to certain psychosocial circumstances
Z65.0 – Z65.9	Problems related to other psychosocial circumstances
Z69.011	Encounter for mental health services for perpetrator of parental child abuse
Z69.021	Encounter for mental health services for perpetrator of non-parental child abuse
Z69.12	Encounter for mental health services for perpetrator of spousal or partner abuse
Z69.82	Encounter for mental health services for perpetrator of other abuse
Z71.84	Encounter for health counseling related to travel
Z71.89	Other specified counseling
Z72.3	Lack of physical exercise
Z72.6 – Z72.9	Problems related to lifestyle
Z73.0 – Z73.9	Problems related to life management difficulty
Z76.0	Encounter for issue of repeat prescription
Z86.51	Personal history of combat and operational stress reaction
Z86.59	Personal history of other mental and behavioral disorders

***Third Party Requirements:*** Services required or recommended by third parties, such as courts, schools, employers, or accrediting/licensing agencies, related to getting or keeping a job, getting or keeping any license issued by a governmental body, getting insurance coverage, foreign travel, adopting children, obtaining or maintaining child custody, school admission or attendance and participation in athletics.

Non-Covered Services include but are not limited to:

- physical examinations in excess of one per year performed by your PCP (if applicable or other Health Professional. Subject to plan coverage),
- diagnostic services
- surgical or medicine service

ICD-10 Dx Codes that will process as “Third Party”:

Z00.8	Encounter for other general examination
Z02.0 – Z02.9	Encounter for administrative examination
Z04.6	Encounter for general psychiatric examination, requested by authority

**AMA CPT Copyright Statement:**

All Current Procedure Terminology (CPT) codes, descriptions, and other data are copyrighted by the American Medical Association.

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*This document is for informational purposes only. It is not an authorization, certification, explanation of benefits, or contract. Receipt of benefits is subject to satisfaction of all terms and conditions of coverage. Eligibility and benefit coverage are determined in accordance with the terms of the member's plan in effect as of the date services are rendered. Priority Health's medical policies are developed with the assistance of medical professionals and are based upon a review of published and unpublished information including, but not limited to, current medical literature, guidelines published by public health and health research agencies, and community medical practices in the treatment and diagnosis of disease. Because medical practice, information, and technology are constantly changing, Priority Health reserves the right to review and update its medical policies at its discretion.*

*Priority Health's medical policies are intended to serve as a resource to the plan. They are not intended to limit the plan's ability to interpret plan language as deemed appropriate. Physicians and other providers are solely responsible for all aspects of medical care and treatment, including the type, quality, and levels of care and treatment they choose to provide.*

The name "Priority Health" and the term "plan" mean Priority Health, Priority Health Managed Benefits, Inc., Priority Health Insurance Company and Priority Health Government Programs, Inc.