

Corporate Medical Policy

Medical Necessity

File Name: medical_necessity
Origination: 9/1999
Last CAP Review: 11/2020
Next CAP Review: 11/2021
Last Review: 11/2020

Description of Service

This is a medical policy that defines medical necessity as adopted by BCBSNC. The term medical necessity is found in all standard BCBSNC certificates. Definitions for non-standard certificates may vary. A service includes, but is not limited to a diagnostic service, procedure, test, treatment, facility, equipment, drug or device.

Policy

When there is coverage under a member's BCBSNC health benefit plan, BCBSNC will provide reimbursement for medically necessary services when BCBSNC determines that the medical criteria and guidelines shown below are met.

Benefits Application

This medical policy relates only to the services described herein. Please refer to the Member's Benefit Booklet for availability of benefits. Member's benefits may vary according to benefit design; therefore member benefit language should be reviewed before applying the terms of this medical policy.

Services determined by the Plan to be not medically necessary are not covered.

The fact that a doctor may prescribe, order, recommend, or approve a service does not, in and of itself, make it a covered service or medically necessary, even though it is not specifically listed as an exclusion. Only the Member's medical condition is considered when deciding which setting (i.e., inpatient or outpatient) is medically necessary.

This policy applies to all product lines of business unless otherwise indicated.

Note: BCBSNC does not cover investigational, cosmetic or not medically necessary services and will not reimburse for them.

Definition of Medical Necessity

The following criteria are the basis for the Plan's determination that a service is medically necessary.

1. The service is one that a physician, exercising prudent clinical judgment, would provide to a patient for the purpose of preventing, evaluating, diagnosing or treating an illness, injury or disease or its symptoms, and except for covered clinical trials (as described in policy, "Clinical Trial Services"), not for experimental, investigational or cosmetic purposes.

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2. The service is in accordance with generally accepted standards of medical practice.
3. The service is clinically appropriate in terms of type, frequency, extent, site and duration; and considered effective for the patient’s illness, injury or disease; and not primarily for the convenience of the patient, physician or other health care provider.

For these purposes, “generally accepted standards of medical practice” means standards that are based on credible scientific evidence published in peer-reviewed medical literature generally recognized by the relevant medical community, physician specialty society recommendations, and the views of physicians practicing in relevant clinical areas and any other relevant factors.

For medically necessary services, the Plan may compare the cost-effectiveness of alternative services or supplies when determining which of the services or supplies will be covered and in what setting medically necessary services are eligible for coverage.

Policy Guidelines

Not Applicable

Billing/Coding/Physician Documentation Information

This policy may apply to the following codes. Inclusion of a code in this section does not guarantee that it will be reimbursed. For further information on reimbursement guidelines, please see Administrative Policies on the Blue Cross Blue Shield of North Carolina web site at www.bcsnc.com. They are listed in the Category Search on the Medical Policy search page.

Applicable service codes: See procedure code for specific procedure or service.

BCBSNC may request medical records for determination of medical necessity. When medical records are requested, letters of support and/or explanation are often useful, but are not sufficient documentation unless all specific information needed to make a medical necessity determination is included.

Scientific Background and Reference Sources

North Carolina State Senate Bill 932

Medical Policy Advisory Group - 12/99

Medical Policy Advisory Group - 3/1/2001

Medical Policy Advisory Group - 3/2002

Specialty Matched Consultant Advisory Panel - 9/2002

Medical Policy Advisory Group - 10/2003

Medical Policy Advisory Group - 9/2005

Specialty Matched Consultant Advisory Panel - 11/2020

Policy Implementation/Update Information

9/99 Original Policy developed.

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- 12/99 Medical Policy Advisory Group
- 3/01 Medical Policy Advisory Group review. No change in criteria. Approve. System changes.
- 2/02 Coding format change.
- 4/02 Medical Policy Advisory Group meeting 3/02. Policy statement revised for clarity.
- 10/02 Specialty Matched Consultant Advisory Panel review. No change to policy.
- 10/03 Medical Policy Advisory Group review. Phrase "service or supply" changed to "service, procedure or supply." Added information to Billing and Coding section and Benefit Application section of the policy.
- 3/04 Policy Number changed from ADM9070 to MED1301.
- 10/8/05 Medical Policy Advisory Group review on 09/08/2005. No changes to policy coverage criteria.
- 4/9/07 Policy Number changed from MED1301 to ADM9066.
- 12/3/07 Changed from "When medical necessity is covered" to "Definition of Medical Necessity". Added reference to clinical trials to the section, "Definition of Medical Necessity". Removed "When medical necessity is not covered" and statement "For any service, procedure or supply that does not meet criteria above." Added the following statement, "Services determined by the Plan to be not medically necessary are not covered." to the "Benefits Application". Policy reviewed 11/7/07 by Senior Medical Director of Provider Partnerships, Medical and Reimbursement Policy.(dpe)
- 09/28/09 Under the section "Benefits Application", added the following: "Note: BCBSNC does not cover investigational, cosmetic or not medically necessary services and will not reimburse for any services, procedures, drugs or supplies associated with those investigational, cosmetic or not medically necessary services." for clarification purposes. Active policy, no longer scheduled for routine review.
- 6/22/10 Policy Number(s) removed (amw)
- 7/1/2014 Policy category changed from *Medical* Policy to *Reimbursement* policy. No change to current policy statement. (adn)
- 7/15/2014 Policy category returned to Corporate Medical Policy. (adn)
- 11/24/15 Review dates removed from policy header. No change to policy content. (adn)
- 12/31/18 No change to policy. (an)
- 12/31/19 Updated description to reflect this being a medical policy. Description updated with definition of service. Definition of medical necessity section updated and reworded for clarity in bullets; 1, 2 and 3. Definition of generally accepted standards added. Specialty Matched Consultant Advisory Panel review 11/19/2019. No change to policy statement. (eel)
- 12/8/20 Updated Medical Necessity Definition section to include setting. Medical Director Review. Specialty Matched Consultant Advisory Panel review 11/18/2020 (bb)

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Medical policy is not an authorization, certification, explanation of benefits or a contract. Benefits and eligibility are determined before medical guidelines and payment guidelines are applied. Benefits are determined by the group contract and subscriber certificate that is in effect at the time services are rendered. This document is solely provided for informational purposes only and is based on research of current medical literature and review of common medical practices in the treatment and diagnosis of disease. Medical practices and knowledge are constantly changing and BCBSNC reserves the right to review and revise its medical policies periodically.