Corporate Medical Policy

Medical Necessity

File Name: medical_necessity
Origination: 9/1999

Description of Procedure or Service

This is an administrative 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.

***Note: This Medical Policy is complex and technical. For questions concerning the technical language and/or specific clinical indications for its use, please consult your physician.

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 or supplies 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, procedure or supply 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 any services, procedures, drugs or supplies associated with those investigational, cosmetic or not medically necessary services.

Definition of Medical Necessity

The following criteria are the basis for the Plan’s determination that a service, procedure or supply is medically necessary.

1. The service, procedure or supply must be provided for the diagnosis, treatment, cure, or relief of a health condition, illness, injury or disease; and, except for covered clinical trials (as described in policy, “Clinical Trial Services for Life Threatening Conditions”), not for experimental, investigational or cosmetic purposes.
Medical Necessity

2. It must be necessary for and appropriate to the diagnosis, treatment, cure, or relief of a health condition, illness, injury, disease or its symptoms.

3. It must be within generally accepted standards of medical care in the community.

4. It must not be solely for the convenience of the insured, the insured’s family or the provider.

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.

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.bcbsnc.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


Policy Implementation/Update Information

9/99 Original Policy developed.

12/99 Medical Policy Advisory Group


2/02 Coding format change.
Medical Necessity

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>10/02</td>
<td>Specialty Matched Consultant Advisory Panel review. No change to policy.</td>
</tr>
<tr>
<td>10/03</td>
<td>Medical Policy Advisory Group review. Phrase &quot;service or supply&quot; changed to &quot;service, procedure or supply.&quot; Added information to Billing and Coding section and Benefit Application section of the policy.</td>
</tr>
<tr>
<td>3/04</td>
<td>Policy Number changed from ADM9070 to MED1301.</td>
</tr>
<tr>
<td>4/9/07</td>
<td>Policy Number changed from MED1301 to ADM9066.</td>
</tr>
<tr>
<td>12/3/07</td>
<td>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)</td>
</tr>
<tr>
<td>09/28/09</td>
<td>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.</td>
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<tr>
<td>6/22/10</td>
<td>Policy Number(s) removed (amw)</td>
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<tr>
<td>7/1/2014</td>
<td>Policy category changed from Medical Policy to Reimbursement policy. No change to current policy statement. (adn)</td>
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<tr>
<td>7/15/2014</td>
<td>Policy category returned to Corporate Medical Policy. (adn)</td>
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<tr>
<td>11/24/15</td>
<td>Review dates removed from policy header. No change to policy content. (adn)</td>
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</table>

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.