

1 **Policy:** **Medical Necessity Definition**

2

3 **Date of Implementation:** **July 14, 2005**

4

5 **Product:** **Specialty**

6

7

8 The following definition is applicable to American Specialty Health – Specialty (ASH),
9 including American Specialty Health Groups, American Specialty Health IPA of New
10 York, American Specialty Health Group – South Dakota, American Specialty Health
11 ODS – New Jersey, American Specialty Health Plans of California, and American
12 Specialty Health Insurance Company.

13

14 “Medically Necessary” or “Medical Necessity” shall mean health care services that a
15 Healthcare Provider, exercising **Prudent Clinical Judgment**, would provide to a patient
16 for the purpose of evaluating, diagnosing, or treating an illness, injury, disease or its
17 symptoms, and that are (a) in accordance with **Generally Accepted Standards of**
18 **Medical Practice**; (b) clinically appropriate in terms of type, frequency, extent, site, and
19 duration; and **Considered Effective** for the patient’s illness, injury, or disease; and (c)
20 not primarily for the **Convenience of the Patient or Healthcare Provider**, and not more
21 costly than an alternative service or sequence of services at least as likely to produce
22 equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that
23 patient’s illness, injury, or disease.

24

25 **Defined Terms**

26 **Prudent Clinical Judgment:** Prudent Clinical Judgment are those (a) clinical decisions
27 made on behalf of a patient by a practitioner in a manner which result in the rendering of
28 necessary, safe, effective, appropriate clinical services; (b) clinical decisions that result in
29 the appropriate clinical intervention considering the severity and complexity of
30 symptoms; (c) decisions that result in the rendering of clinical interventions consistent
31 with the diagnosis and are appropriate for the member’s response to the clinical
32 intervention; (d) decisions rendered in accordance with the practitioner’s professional
33 scope of license or scope of practice regulations and statutes in the state where the
34 practitioner practices.

35

36 **Generally Accepted Standards of Medical Practice:** Generally accepted standards of
37 medical practice means standards that are based on **Credible Scientific Evidence**
38 published in peer-reviewed **Medical Literature** generally recognized by the relevant
39 medical community, Physician and **Healthcare Provider Specialty Society**
40 recommendations, the views of Physicians and Healthcare Providers practicing in
41 relevant clinical areas, and any other relevant factors.

1 **Credible Scientific Evidence:** Credible Scientific Evidence is clinically relevant
 2 scientific information used to inform the diagnosis or treatment of a patient that; meets
 3 industry standard research quality criteria, is adopted as credible by an ASH clinical peer
 4 review committee; and has been published in an acceptable peer-reviewed clinical science
 5 resource.

6
 7 **Medical Literature:** Medical Literature means clinically relevant scientific information
 8 published in an acceptable peer-reviewed clinical science resource.

9
 10 **Considered Effective:** Clinical services that are Considered Effective are those
 11 diagnostic procedures, services, protocols, or procedures that are verified by ASH as
 12 being rendered for the purpose of reaching a defined and appropriate functional outcome
 13 or **Maximum Therapeutic Benefit**; and rendered in a manner that appropriately assesses
 14 and manages the member’s response to the clinical intervention.

15
 16 **Convenience of the Patient or Healthcare Provider:** means considered to be an
 17 elective service. Examples of elective/convenience services include: (a) preventive
 18 maintenance services; (b) wellness services; (c) services not necessary to return the
 19 patient to pre-illness/pre-injury functional status and level of activity; (d) services
 20 provided after the patient has reached **Maximum Therapeutic Benefit**.

21
 22 **Maximum Therapeutic Benefit:** Maximum Therapeutic Benefit is the patient’s health
 23 status when returned to pre-clinical/pre-illness daily functional activity and/or the
 24 patient’s health status when the patient no longer demonstrates progressive improvement
 25 toward return to pre-clinical/pre-illness daily functional activity.

26
 27 **Healthcare Provider Specialty Society:** A Healthcare Provider Specialty Society is a
 28 society of specialty practitioners that represents a significant number of practicing
 29 practitioners, or academic or clinical research institutions for that specialty.

30
 31 **Note:** The term “Provider” as used in this definition is synonymous with the term
 32 “Practitioner” as used in other ASH documents (e.g., policies, services agreements).

33
 34 The terms “Medically Necessary” and “Medical Necessity” as used in this definition are
 35 synonymous with the terms “Medically/Clinically Necessary,” “Medical/Clinical
 36 Necessity,” “Clinically Necessary,” and “Clinical Necessity” as used in other ASH
 37 documents (e.g., policies, services agreements).