

**Policies & Procedures**

## **MEDICALLY NECESSARY SERVICES**

**Section:** Clinical

**Pages:** 2

**Subject:** Medically Necessary Services

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### **PURPOSE**

“Medical Necessity” is a concept that delineates what services qualify for reimbursement from medical plan payors. The concept is useful in appraising what services DBH will provide as a behavioral health system and is essential for complete corporate compliance.

### **POLICY**

Treatment services at Davis Behavioral Health will be provided according to an assessment of the medical necessity of those services. The medical necessity will be documented in the assessment and treatment plan and will be reflected in the ongoing assessment in the progress notes.

### **PROCEDURE**

1. Services provided at Davis Behavioral Health will be those which have been assessed as medically necessary.
2. A treatment is defined as medically necessary if there is adequate information in the clinical record to determine that:
  - a. There is a billable ICD 10 diagnosis.
  - b. A functional impairment has been determined to exist.
  - c. The prescribed level of care addresses:
    - i. Prevention, diagnosis, and treatment of behavioral health impairments,
    - ii. The ability of the client to achieve age-appropriate growth and development,
    - iii. The ability to attain, maintain or regain functional capacity.
  - d. The prescribed treatment could not be provided as effectively in a less costly manner.
  - e. The services are not provided merely for the convenience of the client or service provider.
  - f. The services are consistent with professional standards of practice.
3. The medical necessity of a service is determined based on a clinical assessment. The functional impairment must be clinically determined, and the indicated service must be part of a prescribed treatment plan.

4. Progress notes will be based on an evaluation of the client's response to the medically necessary service. These notes will reflect an ongoing assessment of the absence or presence of the medical necessity of the service based on the client's response to the services and the client's functional status.