Medical Necessity for Covered Services

4.101 Medical Necessity for Covered Services (07/01/20, GCR 19-060)

4.101.1 Definitions

(a) "**Ameliorate**" means to improve or maintain a beneficiary's health in the best condition possible, compensate for a health problem, prevent it from worsening, or prevent the development of additional health problems.

(b) "**Generally accepted practice standards**" means standards that are based on:
(1) credible scientific evidence published in peer-reviewed literature,
(2) physician specialty society recommendations, or
(3) the prevailing opinion of licensed health care providers practicing in the relevant clinical area.

(c) "**Medically necessary**" means health care services, including diagnostic testing, preventive services, and aftercare, that are appropriate, in terms of type, amount, frequency, level, setting, and duration, to the beneficiary's diagnosis or health condition, and that:
(1) help restore or maintain the beneficiary's health, or
(2) prevent deterioration or palliate the beneficiary's condition, and
(3) are the least costly, appropriate health service that is available, and
(4) are not solely for the convenience of the beneficiary's caregiver or a provider, and
(5) are supported by documentation in the beneficiary's medical records.

4.101.2 Conditions for Coverage

(a) A health care service that is otherwise covered by Vermont Medicaid is considered medically necessary when the requirements of clinical criteria or guidelines adopted by Vermont Medicaid are met.

(1) Clinical criteria and guidelines adopted by Vermont Medicaid are available on the websites of the departments that are part of the Agency of Human Services.

(2) When the Agency has not adopted clinical criteria or guidelines for a requested service, or the adopted clinical criteria or guidelines are not applicable to the beneficiary, then medical necessity is met if the service is consistent with generally accepted practice standards.

(b) For EPSDT eligible beneficiaries (see Rule 4.106), a determination of medical necessity also includes a case by case determination that a service is needed to correct or ameliorate a diagnosis or health condition or achieve proper growth and development or prevent the onset or worsening of a health condition.

(c) The Agency is the final authority for determinations of medical necessity.