

## **Chapter 6: Medical Necessity Criteria Introduction**

### **Preamble**

"Mental health recovery is a journey of healing and transformation enabling a person with a mental health problem to live a meaningful life in a community of his or her choice while striving to achieve his or her full potential."

National Consensus Statement on Mental Health Recovery  
U.S. Department of Health and Human Services  
Substance Abuse and Mental Health Services Administration,  
Center for Mental Health Services

### **Principles for Medical Necessity Determinations**

The Public Mental Health System is committed to the philosophy of providing treatment at the least intensive level of care necessary to provide safe and effective treatment and meet the individual's biopsychosocial needs. The continuum of care is a fluid treatment pathway, where individuals may enter treatment at any level and be moved to more or less intensive settings or levels of care as their changing clinical needs dictate. The ASO will implement this philosophy while facilitating individual choice in the treatment process.

The Public Mental Health System is committed to the six goals of the New Freedom Commission on Mental Health:

1. Mental Health is essential to overall health.
2. Mental health care is consumer and family driven.
3. Disparities in mental health services must be eliminated.
4. Early mental health screening, assessment and referral to service are common practice.
5. Excellent mental health care is delivered and research is accelerated.
6. Technology is used to access mental health care and information.

The ASO will make clinical decisions about each individual based on the clinical features of the individual case, the medical necessity criteria, and the real resources available, since we recognize that a full array of services is not available everywhere. When a medically necessary level of care does not exist, (e.g. rural locations) the ASO will authorize alternative services.

## **Medical Necessity Criteria**

### **Introduction**

The Public Mental Health System is committed to facilitating the individual's recovery through treatment and rehabilitation services that are in the least restrictive and intensive level of care necessary to provide safe and effective treatment and meet the individual's biopsychosocial needs. The continuum of care is a fluid treatment pathway, where individuals may enter treatment at any level and receive services, in more or less intensive settings or levels of care, as their changing clinical needs dictate. The ASO will implement this philosophy while facilitating individual choice in the treatment process.

## ValueOptions® Maryland Medical Necessity Criteria

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## **Medical Necessity Criteria**

### **I. Levels of Care**

The Public Mental Health System believes that when an individual has a mental disorder that requires professional evaluation and treatment, he/she should be treated at the least intensive setting able to meet the individual's medical needs.

The Public Mental Health System has defined six levels of care as listed below: (These are levels of care and not specific services. For service descriptions, please refer to the Provider Manual, Chapter 5.)

#### **1. Acute Inpatient Level of Care**

Acute care describes the high level of skilled psychiatric services in a hospital. This could be a free-standing psychiatric hospital or a psychiatric unit of general hospital or a state psychiatric hospital. Settings that are eligible for this level of care are licensed at the hospital level and provide 24-hour medical and nursing care.

#### **2. Subacute Inpatient/RTC Level of Care**

Subacute care is residential, intermediate level skilled care, usually provided in a Residential Treatment Center (RTC). Residential treatment for adolescents with psychiatric conditions is included in this level of care.

#### **3. Supervised/Supported Community Residential Level of Care**

Supervised residential care is provided in therapeutic group homes, or supervised residential settings. This level of care combines outpatient treatment on an individual, group and/or family basis (usually provided by outside providers) with assistance and supervision in managing basic day-to-day activities and responsibilities. At least one responsible staff person must be present or available by telephone at all times when there are clients on the premises. These settings are approved as residential rehabilitation programs or group homes.

#### **4. Partial Hospital Level of Care**

Partial hospital programs are defined as structured and medically supervised day, evening or night treatment programs. Program services are provided at least 4 hours/day and at least 3 days/week. The services are essentially the same nature and intensity (including medical and nursing) as would be provided in a hospital except that the individual is in the program less than 24 hours/day. The individual is not considered a resident at the program. The range of services offered is designed to address a mental health disorder through an individualized treatment plan provided by a coordinated multidisciplinary treatment team.

#### 5. Intensive Outpatient Treatment Level of Care

Intensive outpatient programs are defined as having the capacity for planned, structured, service, provided by a multidisciplinary team, including at least 3 hours of therapeutic services, including at least two group therapies, and needed physician services.

#### 6. Traditional Outpatient Treatment

Traditional outpatient treatment is typically individual, family, and/or group psychotherapy, rehabilitation (e.g., on-site or off-site visits) and consultative services ranging in time from fifteen minutes (e.g. medication check) to fifty minutes (e.g. individual, conjoint, family psychotherapy) up to two hours (e.g. group psychotherapy) duration each. Satisfaction of all admission and continued care criteria must be documented in the clinical record based upon the conditions and factors identified herein before treatment will be authorized.

## II. Medical Necessity Definition

Under the authority of the Maryland Public Mental Health System (MPMHS), the ASO bases its decisions on medical necessity, which is defined as follows according to COMAR 10.09.62.01.

*107) "Medically necessary" means that the service or benefit is:*

- (a) Directly related to diagnostic, preventive, curative, palliative, rehabilitative, or ameliorative treatment of an illness, injury, disability, or health condition;*
- (b) Consistent with current accepted standards of good medical practice;*
- (c) The most cost efficient service that can be provided without sacrificing effectiveness or access to care; and*
- (d) Not primarily for the convenience of the consumer, the consumer's family, or the provider.*

*(108) Repealed.*

(109) *"Medical necessity" means what is medically necessary.*

(110) *"Medically needy" has the meaning stated in COMAR 10.09.24.02.*

Our concise interpretation is:

*"Services by a provider to identify or treat an illness that has been diagnosed or suspected." That are:*

*a. Consistent with:*

*(1) The diagnosis and treatment of a condition; and*

*(2) Standards of good medical practice;*

*b. Required for other than convenience; and*

*c. The most appropriate level of service in light of available resources."*