



MEDICAL ASSISTANCE BULLETIN

COMMONWEALTH OF PENNSYLVANIA • DEPARTMENT OF PUBLIC WELFARE

ISSUE DATE

April 21, 2007

EFFECTIVE DATE

April 21, 2007

NUMBER

1101-07-03

SUBJECT

**Clarification Regarding the Definition of
Medically Necessary – Statement of Policy**

BY

Michael Nardone
Acting Deputy Secretary
Office of Medical Assistance Programs

SCOPE:

This bulletin applies to all providers enrolled in the Medical Assistance (MA) Program.

PURPOSE:

The purpose of this bulletin is to clarify the definition of “medically necessary” at 55 Pa.Code § 1101.21 (relating to definitions).

BACKGROUND:

On February 1, 1997, the Commonwealth implemented the HealthChoices Program, the mandatory managed care program for both physical and behavioral health care services for MA recipients. More than 70% of MA recipients currently receive their physical and behavioral health care through HealthChoices. The remaining MA population is served in the voluntary managed care or the fee-for-service delivery system.

DISCUSSION:

The Department of Public Welfare (Department) pays only for medically necessary services, items, procedures and levels of care. The definition of “medically necessary” is set forth in the Department’s regulations. See 55 Pa.Code § 1101.21. The HealthChoices contract contains a definition of “medical necessity” that uses language that is similar but not identical to the language in the regulatory definition of “medically necessary.” Although the language is not identical, the intended meaning is the same. The HealthChoices definition merely clarifies the intent of the regulatory definition.

To assure consistent application of the terms “medical necessity” and “medically necessary” in both the mandatory and voluntary managed care and the fee-for-service delivery systems, the Department is clarifying when a service, item, procedure or level of care is “[n]ecessary to the proper treatment or management of an illness, injury or

COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:

Department of Public Welfare, Office of Medical Assistance Programs, c/o Regulations
Coordinator, Room 515, Health and Welfare Building, Harrisburg, PA 17120
Visit the Office of Medical Assistance Programs website at www.dpw.state.pa.us/omap

DISTRIBUTION:

99-07-04

disability," as required by subparagraph (ii) of the regulatory definition of "medically necessary."

REGULATION INTERPRETATION:

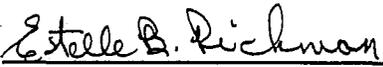
The regulation interpretation is contained in Annex A to this Bulletin.

EFFECTIVE DATE:

This statement of policy is effective immediately upon publication in the *Pennsylvania Bulletin*.

CONTACT PERSON:

Regulations Coordinator, the Office of Medical Assistance Programs, Bureau of Policy, Budget and Planning at (717) 772-6341.



Estelle B. Richman
Estelle B. Richman
Secretary of Public Welfare

ANNEX A

STATEMENT OF POLICY

DEPARTMENT OF PUBLIC WELFARE

OFFICE OF MEDICAL ASSISTANCE PROGRAMS

[55 Pa.Code Chapter 1101]

General Provisions

§ 1101.21a. Clarification Regarding the Definition of Medically Necessary -- statement of policy.

A service, item, procedure or level of care that is necessary for the proper treatment or management of an illness, injury or disability is one that:

- (1) Will, or is reasonably expected to, prevent the onset of an illness, condition, injury or disability.
- (2) Will, or is reasonably expected to, reduce or ameliorate the physical, mental or developmental effects of an illness, condition, injury or disability.
- (3) Will assist the recipient to achieve or maintain maximum functional capacity in performing daily activities, taking into account both the functional capacity of the recipient and those functional capacities that are appropriate of recipients of the same age.