

---

**CHAPTER 2: BEHAVIORAL HEALTH SERVICES**

---

**APPENDIX C: MEDICAL NECESSITY AND EPSDT EXCEPTIONS****POLICY****PAGE(S) 2**

---

**MEDICAL NECESSITY AND EPSDT EXCEPTIONS POLICY****Medical Necessity**

Medically necessary services are defined as those health care services that are in accordance with generally accepted evidence-based medical standards, or that are considered by most physicians (or other independent licensed practitioners) within the community of their respective professional organizations to be the standard of care (LAC Title 50, Part I, Chapter 11).

In order to be considered medically necessary, services must be:

- Deemed reasonably necessary to diagnose, correct, cure, alleviate or prevent the worsening of a condition or conditions that endanger life, cause suffering or pain or have resulted or will result in a handicap, physical deformity or malfunction; and
- Those for which no equally effective, more conservative and less costly course of treatment is available or suitable for the member.

Any such services must be individualized, specific and consistent with symptoms or confirmed diagnosis of the illness or injury under treatment, and neither more, nor less, than what the member requires at that specific point in time.

**Although a service may be deemed medically necessary, it doesn't mean the service will be covered under the Medicaid program.** Services that are experimental, non-FDA approved, investigational or cosmetic are specifically excluded from Medicaid coverage and will be deemed "not medically necessary".

The Medicaid director, in consultation with the Medicaid medical director, may consider authorizing services at his discretion on a case-by-case basis.

**Procedures for Coverage of a Non-Covered Service Identified as Medically Necessary for EPSDT Members**

For a service that is not covered under the Medicaid State Plan, but deemed medically necessary for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Program members, information is submitted to the medical director for review. Information should include the following:

- Information regarding the member, including age, diagnosis, condition and medical records relative to the service being requested;

---

**CHAPTER 2: BEHAVIORAL HEALTH SERVICES**

**APPENDIX C: MEDICAL NECESSITY AND EPSDT EXCEPTIONS**

**POLICY**

- Information regarding the provider, enrollment status and qualifications for rendering service, as appropriate; and
- Information regarding the requested service is gathered. This information would include, but not be limited to, reasons/policy for non-coverage, applicable rules and State Plan amendment (SPA), alternative services, etc. All supporting information for coverage and medical necessity in individual cases is gathered.

The Medicaid medical director reviews as much information on the member as possible, the prospective provider and the requested service, to determine if the service being requested is medically necessary, and if other possible treatment options exist and/or if there are rules, SPAs or federal regulations impacting coverage decision.

If approved for medical necessity, then a determination of availability of federal financial participation (FFP) is made. If FFP is not available due to federal regulations, a recommendation for coverage, and a request to pay out of all State funds, is forwarded for approval to the Medicaid director. If the service is determined medically necessary, but is investigational or experimental, the recommendation is sent to the medical director for consideration of final approval and appropriate match rate.

The payment of authorized services that are normally not a Medicaid-covered benefit are specially handled through the system to ensure payment for the specified member occurs and no other non-intended members' services are paid. The CSoC Contractor will submit an invoice, including the approved EPSDT exceptions and supporting encounter data for the claims for the EPSDT with an EP modifier. The Medicaid Management Information Systems (MMIS) will accept all encounters with an EP modifier but will create a report for the State to do 100 percent verification reviews for audit purposes. Reimbursement for any inappropriately approved EPSDT exceptions will be recouped from the CSoC Contractor and provider by the State.