THE 411 ON "MEDICAL NECESSITY"*

Few insurance denials are more frustrating that those issued for "lack of medical necessity". If your doctor prescribed a treatment or procedure, it must be medically necessary, right?

It depends. "Medically necessary" has different meanings. Understanding which one applies to your case determines your appeal options and chances of success.

1. Standard medical practice says

The most common definition is that "the service/procedure/treatment is reasonably expected to prevent the onset of a condition, reduce or ameliorate the effects of an illness or condition, or help an individual obtain or maintain maximum functional capacity".

From the insurance point of view, the most economical, least invasive, most efficient way of achieving the above is the preferred option.
Let's say your prescription is brand name, but over the counter or generic alternatives are available. In most cases, medical necessity for the more expensive drug would not be justified.

When a surgical or invasive intervention is recommended, medical necessity means no other pharmaceutical, more conservative or non-invasive therapies are indicated.

2. Your insurance (policy) says

Coverage of the same procedure or drug may vary from insurer to insurer. It is advisable to always confirm a service or prescription is covered under your policy to avoid costly surprises.

Restrictions are often found on procedures that have cheaper or less radical alternatives, or those deemed "elective". If the insurer can argue that the life or welfare of the patient are not in immediate danger, or that the condition can be managed via a more conservative approach, the medical necessity for more drastic measures is often rejected.

A good example is knee replacement: your physician may recommend immediate replacement surgery, but your insurer may impose physical therapy and pharmaceutical pain management until the condition turns more serious or for a certain length of time without improvement.

3. The FDA says

If it is not FDA approved for use or not indicated for your specific diagnosis ("off label"), it is not medically necessary... unless accepted exceptions apply.

The most important is the listing in the drug NCCN compendia (the "Bible of medications"). If an off-label use is published there, your insurance may accept to cover it. Though not FDA approved, it indicates that it has become an accepted use within the medical community.

4. The physician says

Based on professional experience your treating physician might prescribe a stronger prescription than the over the counter version, bypassing the standard protocol. He might also disregard a longer-term approach for a quicker but more drastic solution based on medical and other criteria. Medical records should and must explain this decision.

5. You say

As a billing manager, I have seen my share of cases where convenience and personal preferences were the basis for requesting a specific prescription or treatment.
While a young mother choosing to undergo a gentler but longer type of chemotherapy when the norm is a less costly, shorter but debilitating treatment can be justified, requests based on marketing ads, advise from friends and family members or indiscriminate internet research will not.

Medical providers might be tempted to prescribe a certain drug, or order a test or scan to please (and keep) their patient. Relying on unverified statements by the patient, they may be led to advise serious interventions when not truly indicated.

Unsupported by sound, appropriate medical records, it will be difficult to prove medical necessity in such cases.

In conclusion:

Depending on the point of view, medical necessity takes many forms. It usually follows established protocols. When your insurance issues a denial, it does so based on specific reasons, published policies, FDA guidelines or standard medical practices. Other valid explanations include a lack of medical records, insufficient justification or a missing authorization.

Until evidence is given supporting the need for an out-of-the-norm service in your specific case, expecting a change of decision might be a lost cause.

*** previously published on NerdWallet**