APPENDIX T
GENERAL PRINCIPLES FOR THE OPERATION OF MANAGED MENTAL HEALTH AND SUBSTANCE ABUSE ORGANIZATIONS*

As in all of medicine, effective care is the most economical care. Many are concerned that the manner in which healthcare services are administered not impede effective treatment. There are presently no clinically sufficient principles for evaluating the operation of managed mental health and substance abuse organizations. In response, the American Psychiatric Association proposes and advocates for the following principles:

A. Overall priority must be given to protecting the ability of the psychiatrist to provide a treatment setting and service that is optimum for the provision of psychiatric care, including psychotherapy.

B. In providing oversight of a patient's evaluation and treatment, the privacy of the psychiatrist-patient relationship shall be protected and be in strict conformity with state and national laws, medical ethics, and specialty and subspecialty standards.

C. Medical necessity of psychiatric treatment shall be determined by applying generally accepted medical standards. Third-party reviews must not mandate specific goals and treatment to the exclusion of treatment deemed most appropriate by the treating psychiatrist and the patient and his/her family.

D. The patient, in collaboration with the psychiatrist, should make choices among psychiatric treatments that meet generally accepted medical standards. These decisions should not be made by representatives of managed care organizations.

E. Decisions regarding coverage for psychiatric treatment shall be made in a timely manner and according to ERISA regulations and applicable state laws. These decisions and reviews shall not be excessively frequent and/or interfere with ongoing treatment.

F. Patients and psychiatrists shall have available to them procedures for appealing, and these procedures shall include an independent third-party reviewer. Such appeals must be conducted in a timely manner, and treatment and funding shall continue pending the outcome of the appeal.

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G. To ensure that the processes of handling appeals of denials of coverage are fair and valid, an independent psychiatrist reviewer with similar training and experience to the treating psychiatrist shall conduct reviews of patients' appeals for psychiatric treatment. The reviewer must be licensed in the same geographic area in which the treatment is being provided.

H. Release of material from medical records must be limited to only that information that is required to determine medical necessity, as determined by generally accepted medical standards and state laws.

I. Interactions between the psychiatrist-reviewer and the psychiatrist shall be supportive of the treatment and shall not create barriers to discourage treatment. Patients who wish to voice their opinions to reviewers or the Medical Director shall have the opportunity to do so during the utilization review process

J. The treating psychiatrist should be allowed sufficient time for adequate evaluation and treatment planning prior to definitive review.

K. The diversity of therapeutic approaches supported by the APA's practice guidelines and the preference of patients to choose their own psychiatrists, including psychiatrists of a specific gender or ethnicity, shall be respected whenever possible and appropriate.

L. Patients and psychiatrists shall be fully informed of the benefits provided by the managed care organization before the initiation of treatment. Such information regarding benefits shall include medical necessity criteria, data that will be sought for utilization review, and the guidelines for their interpretation. Patients and psychiatrists shall also be informed of the process for appeals, confidentiality policies, and financial incentives that could influence treatment.

M. Organizations conducting utilization review are responsible for adverse outcomes resulting from denial of care authorizations.

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