

APA Official Actions

Position Statement on Medical Necessity

Approved by the Board of Trustees, December 2020

Approved by the Assembly, November 2020

Approved by the Board of Trustees, July 2015

Approved by the Assembly, May 2015

“Policy documents are approved by the APA Assembly and Board of Trustees. . . These are . . . position statements that define APA official policy on specific subjects. . .” – *APA Operations Manual*

Issue:

Medical necessity determinations have been an ongoing problem between providers and the insurance industry that approves services provided to our patients. Court decisions such as in the case of *Wit vs United HealthCare* (2019) highlighted the financial incentives involving such determinations of medical necessity criteria that did not follow generally accepted standards of care. There is a lack of transparency and availability of level of care and Coverage guidelines to the public and providers of healthcare. Such Guidelines are often developed without input from professional societies and experts in the clinical community. As a result, necessary medical services and benefits are often denied to our patients, based on arbitrary and sometimes capricious criteria.

APA Position:

The American Psychiatric Association endorses the statement from the American Medical Association which defines “medical necessity” as:

“ . . . Health care services or products that a prudent physician would provide to a patient for the purpose of preventing, diagnosing, or treating an illness, injury, or its symptoms in a manner that is: (1) in accordance with the generally accepted standards of medical practice; (2) clinically appropriate in terms of type, frequency, extent, site and duration; and (3) not primarily for the economic benefit of the health plans and purchasers or for the convenience of the patient, treating physician, or other health care provider.”

The APA believes that medical necessity criteria should be developed jointly by professional societies, payers and regulatory agencies using evidence based clinical standards of care (including practice guidelines where available).

Medical necessity criteria used for a Particular service should be consistent for similar services across various payers.

Criteria for determination of medical necessity should be easily and publicly available to healthcare providers and patients to help assure transparency for all parties.

The APA will continue to advocate for fairness, accuracy, and transparency of medical necessity determinations made by government agencies, managed care organizations, third party payers, and private sector health care accreditation organizations.

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