

**MEDICAL NECESSITY CRITERIA
FOR
MEDICAID MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES**

1.0 Medical Necessity Criteria

- 1.1 “Medically necessary” mental health (and/or substance abuse) services are services:
 - 1.1.1 Necessary for screening and assessing the presence of a mental illness or substance abuse disorder; and/or
 - 1.1.2 Required to identify and evaluate a mental illness or substance abuse disorder that is inferred or suspected; and/or
 - 1.1.3 Intended to treat, ameliorate, diminish or stabilize the symptoms of mental illness (or substance abuse) including impairment in functioning; and/or
 - 1.1.4 Expected to arrest or delay the progression of a mental illness (or substance abuse) disorder and to forestall or delay relapse; and/or
 - 1.1.5 Designed to provide rehabilitation for the recipient to attain or maintain an adequate level of functioning.
- 1.2 The determination of a medically necessary service must be:
 - 1.2.1 Based upon a person-centered planning process.
- 1.3 Services selected based upon medical necessity criteria should be:
 - 1.3.1 Delivered in a timely manner, with an immediate response in emergencies in a location that is accessible to the consumer;
 - 1.3.2 Responsive to particular needs of multi-cultural populations and furnished in a culturally relevant manner;
 - 1.3.3 Provided in the least restrictive appropriate setting; (inpatient and residential treatment shall be used only when less restrictive levels of treatment have been unsuccessful or cannot be safely provided);
 - 1.3.4 Delivered consistent with national standards of practice, including standards of practice in community psychiatry, psychiatric rehabilitation and in

substance abuse, as defined by standard clinical references, generally accepted professional practice or empirical professional experience; and

- 1.3.5 Provided in sufficient amount, duration and scope to reasonably achieve their purpose.
- 1.4 Using criteria for medical necessity, a CMHSP may:
 - 1.4.1 Deny services that: (a) are deemed ineffective for a given condition based upon professionally and scientifically recognized and accepted standards of care; (b) are experimental or investigational in nature; or (c) services for which there exists an appropriate, efficacious, less-restrictive and cost-effective alternative service, setting or support, that otherwise satisfies the standards for medically necessary services;
 - 1.4.2 Not deny services solely based on preset limits on the duration of services; instead, reviews of the continued need for services shall be conducted on an individualized basis; and
 - 1.4.3 Employ various methods to determine medical necessity, including prior authorization for certain services, concurrent utilization reviews, centralized assessment and referral, gatekeeping arrangements, protocols and guidelines.
- 1.5 All determinations regarding medically necessary services shall be made in a timely fashion, by appropriately trained mental health (or substance abuse) professionals with sufficient clinical experience.