KAISER PERMANENTE®

PAYMENT POLICY

PREPAYMENT REVIEW – MEDICAL NECESSITY

Scope

This policy applies to:

☒ Kaiser Permanente Health Plan of Washington

☒ Kaiser Permanente Health Plan of Washington Options, Inc.

☒ Commercial

☒ Medicare

☐ Medicaid

Policy

Original Effective Date: 04/19/2018

This policy provides information on rules that govern National Payment Integrity (NPI) Clinical Review-processes related to determining payment for claims under review. NPI is responsible for reviewing facility and professional claims to ensure that providers comply with billing and coding standards, that services rendered are appropriate and medically necessary, and that payment is made in accordance with applicable contract and/or provider manual requirements.

Claims are reviewed for: appropriateness of treatment, levels of care billed, or the request may be determined to be cosmetic in nature, experimental, or investigational. The services may therefore be denied, reduced, or payment not provided or made, in part or in whole.

Determinations of medical necessity must adhere to the standard of care and always be made on a case-by-case basis that applies to the actual direct care and treatment of the patient. Considerations include:

- Appropriate for the symptoms and diagnosis or treatment of the member's condition, illness, disease, or injury.
- Provide for the diagnosis, direct care, and treatment of the medical condition.
- Meet the standard of good medical practice and is not mainly for the convenience of the provider or patient.

Billing/Coding Guidelines

All claims must be billed according to Centers for Medicare & Medicaid Services (CMS) guidelines.

NPI Clinical Review must apply commonly accepted standards to determine what items or services are eligible for separate reimbursement. Commonly accepted standards include CMS guidelines, National Uniform Billing Committee (NUBC) standards, National Correct Coding Initiative (CCI) standards, and professional and academic journals and publications.

Policy Definitions

CMS – Centers for Medicare and Medicaid Services

Prerequisite(s)

Not applicable

References

Prepayment review Provider Website

Centers for Medicare & Medicaid Services

National Correct Coding Initiative (CCI) standards

Frequently Asked Questions

Not applicable

Revision History

01/08/2024 – Annual review

04/22/2022 – Updated to correct hyperlinks and formatting

03/15/2021 – Updated broken link

05/28/2020 – Previous effective date: 4/19/2018