

PREPAYMENT REVIEW – MEDICAL NECESSITY

Scope

This policy applies to:

- | | | |
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| <input checked="" type="checkbox"/> Kaiser Permanente Health Plan of Washington | <input checked="" type="checkbox"/> Kaiser Permanente Health Plan of Washington Options, Inc. | <input type="checkbox"/> Medicaid |
| <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Medicare | |

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

Note: This information is intended to serve only as a general reference resource regarding reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, we may use reasonable discretion in interpreting and applying this policy to services being delivered in a particular case. Further, the policy does not cover all issues related to reimbursement for services rendered to our enrollees as legislative mandates, the provider contracts, the enrollee's benefit coverage documents, and the Provider Manual all may supplement or in some cases supersede this policy. This policy may be modified from time to time by publishing a new version of the policy on Kaiser Permanente provider website; however, the information presented in this policy is believed to be accurate and current as of the date of publication.