

**Government Business Division
Policies and Procedures**

Section (Primary Department) Utilization Management		SUBJECT (Document Title) Separation of Financial and Medical Necessity Decision Making - CA	
Effective Date 03/23/2000	Date of Last Review 04/08/2024	Date of Last Revision 03/30/2023	Dept. Approval Date 04/08/2024
Department Approval/Signature:			

Policy applies to health plans operating in the following State(s). Applicable products noted below.

<u>Products</u>	<input type="checkbox"/> Arkansas	<input type="checkbox"/> Iowa	<input type="checkbox"/> Nevada	<input type="checkbox"/> Tennessee
<input checked="" type="checkbox"/> Medicaid/CHIP	<input checked="" type="checkbox"/> California	<input type="checkbox"/> Kentucky	<input type="checkbox"/> New Jersey	<input type="checkbox"/> Texas
<input type="checkbox"/> Medicare/SNP	<input type="checkbox"/> Colorado	<input type="checkbox"/> Louisiana	<input type="checkbox"/> New York	<input type="checkbox"/> Virginia
<input type="checkbox"/> MMP/Duals	<input type="checkbox"/> District of Columbia	<input type="checkbox"/> Maryland	<input type="checkbox"/> New York (WNY)	<input type="checkbox"/> Washington
	<input type="checkbox"/> Florida	<input type="checkbox"/> Minnesota	<input type="checkbox"/> North Carolina	<input type="checkbox"/> West Virginia
	<input type="checkbox"/> Georgia	<input type="checkbox"/> Missouri	<input type="checkbox"/> Ohio	<input type="checkbox"/> Wisconsin
	<input type="checkbox"/> Indiana	<input type="checkbox"/> Nebraska	<input type="checkbox"/> South Carolina	

POLICY:

Anthem Medicaid is committed to professional Utilization Management (UM) processes that ensure that medical decisions are ethical, professional and appropriate for the member and the health plan. Utilization review is conducted by qualified healthcare professionals with the appropriate clinical training, expertise and experience exclusive of any financial/cost savings incentives. All medical decisions are based only on appropriateness of care and service and existence of coverage. Anthem does not reward practitioners or other individuals conducting utilization review for issuing denials of coverage or care. Financial incentives for utilization/care management decision-makers do not encourage decisions that result in under-utilization.

All Anthem Medicaid associates are required to take the Annual Ethics and Compliance Training. Included in this annual training is a program on Living with Integrity. An attestation regarding compensation is part of this program, and UM staff members are informed of their responsibility to review the compensation statement. By completing the full Ethics and Compliance training, they are agreeing to the terms of this statement.

DEFINITIONS:

Medically Necessary or Medical Necessity: shall mean a determination that items or services furnished or to be furnished to a patient are reasonable and necessary for the diagnosis or treatment of illness or injury, to improve the functioning of a malformed body member, for the prevention of illness, or to achieve age-appropriate growth and development, and that are:

- In accordance with generally accepted standards of medical practice; and
- Clinically appropriate in terms of type, frequency, extent, site, and duration and considered effective for the patient's illness, injury or disease; and

**Government Business Division
Policies and Procedures**

Section (Primary Department) Utilization Management	SUBJECT (Document Title) Separation of Financial and Medical Necessity Decision Making - CA
---	---

- Not primarily for the convenience of the patient, physician or other health care provider; and
- Not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that patient's illness, injury or disease.

For these purposes, "generally accepted standards of medical practice" means standards that are based on credible scientific evidence published in peer-reviewed medical literature generally recognized by the relevant medical community, Physician Specialty Society recommendations and the views of Physicians practicing in relevant clinical areas and any other relevant factors. "Physician Specialty Society" means a United States medical specialty society that represents diplomats certified by a board recognized by the American Board of Medical Specialties.

Peer Clinical Review (PCR): A physician who is employed by or contracted with Anthem to carry out utilization review. The PCR is board certified in his/her specialty, and has a current license to practice without restrictions.

PROCEDURE:

- I. Medical Directors, PCR's and other contracted entities performing peer clinical review comply with applicable Federal and State legislation.
 - A. PCR's follow established pre-approved Medical Policies.
- II. PCR decision-making is performed ethically and professionally to determine appropriate outcomes for the member.
 - A. Decisions regarding medical necessity and appropriateness are supported by the following:
 1. Anthem Medical Policy and Clinical Guidelines
 2. MCG™ Guidelines
 3. Anthem Policy and Procedures
 4. Member benefits and Eligibility
 5. Applicable Federal and State regulatory requirements/mandates
 6. Anthem Behavioral Health Medical Necessity Criteria, as applicable;
 7. Carelon Medical Benefits Management Criteria

**Government Business Division
Policies and Procedures**

Section (Primary Department) Utilization Management	SUBJECT (Document Title) Separation of Financial and Medical Necessity Decision Making - CA
---	--

- B. Utilization management decisions are NOT based on financial incentives
1. Medical decisions based on quality, appropriateness and necessity are reviewed as part of the interview process and are included in orientation and training of the PCR.
 2. The PCR Agreement outlines contract agreements and does not include any financial reimbursement based on decisions made by the PCR.
 3. Potential Conflict of Interest situations are discussed and identified during the interview process. Examples of potential reviewer Conflict of Interest are:
 - a) Personal/Working relationships with practitioner, member or institution involved in the review.
 - b) Financial interests or investments in direct conflict with any part of the review process.
 - c) Secondary employment with any entities involved in the review process.
 - d) The receipt of any gifts, gratuities or entertainment that may be offered to reviewers as an incentive for a requested review outcome.
 4. Candidates with inherent conflict of interest situations are disqualified.
 5. A contracted Peer Clinical Reviewer identified as having a conflict of interest or discovered to be receiving any incentive that may affect review decisions is terminated.

REFERENCES:

- ADMIN. 00004 Medical Policy Definition: Medical Necessity
- ADMIN. 00006 Review of Services for Benefit Determinations in the Absence of a Company
- Annual Ethics and Compliance Training and Attestation
- Anthem Peer Clinical Reviewer Agreement
- CA_UMXX_041 Pre-Service Authorization of Services
- NCQA UM Standards

RESPONSIBLE DEPARTMENTS:

Primary Department:

Utilization Management (UM)

Secondary Department(s):

None

**Government Business Division
Policies and Procedures**

Section (Primary Department) Utilization Management	SUBJECT (Document Title) Separation of Financial and Medical Necessity Decision Making - CA
---	---

EXCEPTIONS:

None

REVISION HISTORY:

Review Date	Changes
04/08/24	<ul style="list-style-type: none"> • Annual Review; no changes
03/30/23	<ul style="list-style-type: none"> • Annual Review • Made updates to section II-A under Procedure section • Updated References section • Updated primary department from “Medical Management: Utilization Management (UM) & Case Management (CM)” to “Utilization Management (UM)” • Added “Secondary Department(s)” sub-header under Responsible Departments section to match template
03/24/22	<ul style="list-style-type: none"> • Annual Review • Updated References
03/10/21	<ul style="list-style-type: none"> • Annual Review, No changes
03/11/20	<ul style="list-style-type: none"> • Annual Review, No changes
03/06/19	<ul style="list-style-type: none"> • Annual Review, No changes
03/20/18	<ul style="list-style-type: none"> • Annual Review, no changes
03/31/17	<ul style="list-style-type: none"> • Annual Review, no changes
04/29/16	<ul style="list-style-type: none"> • Annual Review • Updated References
03/02/15	<ul style="list-style-type: none"> • Created California specific document from business wide document