

MEDICAL POLICY DEVELOPMENT

Purpose

This document provides guidelines for the evolution of a medical policy.

Description

Medical policy is the standard by which coverage, decisions, and actions are determined. It is based on scientifically sound, reliable, and comprehensive information and supplemented, when medically necessary, by expert opinion. Medical policy is based on authoritative information obtained from medical literature medical consensus bodies, health care standards, database searches, evidence from national medical organizations, state and federal government agencies and research organizations. Policies identify experimental status, approval status, written research protocols, appropriate clinical application, efficacy, safety, research findings, and medical consensus regarding medical technology.

Adoption of NCQA Guidelines for UM Decisions

To assist the Plan in its development of written criteria based on sound clinical evidence, VCHCP has adopted the following guidelines established by the NCQA:

- The criteria for determining medical necessity are clearly documented and include procedures for applying criteria based on the needs of the individual patients and characteristics of the local delivery system.
- The Plan involves appropriate, actively practicing practitioners its development or adoption of criteria and in the development and review of procedures for applying the criteria.
- The Plan reviews the criteria at specified intervals and updates them as necessary.
- The Plan states in writing how practitioners can obtain the UM criteria and makes the criteria available to its practitioners upon request.
- At least annually, VCHCP evaluates the consistency with which the health care professionals involved in utilization review apply the criteria in decision-making.

Policy

Medical policy is the primary basis of medical review decisions for prior authorization, concurrent review, retrospective review, case management, appeals, and claims adjudication. VCHCP's medical policies are developed to reflect the local characteristics of its membership and provider network and take precedence over the other review criteria (e.g., Milliman Care Guidelines) for determination of medical necessity. Medical policy primarily focuses on medical issues; however, it also contains clarification on benefit interpretation and administrative policy.

Procedures for the Development of the Medical Policy

1. The physician authoring the policy completes the following steps:
 - a. Performs a search of printed and online medical literature that includes professionally recognized guidelines, current evidence-based medicine, and community standards.
 - b. Reviews the procedure or service to determine if it is considered investigational / experimental.
 - c. Identifies issues of controversy and specific statutory requirement (e.g., Evidence of Coverage constraints are identified; Department of Managed Health Care (DMHC), Department of Health Services (DHS) and Medicare regulations are reviewed for position statements decisions, and approval status)
 - d. Identifies regulatory issues which are reviewed by legal counsel, when necessary
 - e. Develops a draft policy
 - f. Requests departmental input, if indicated, from, but not limited to, the following:
 - i. Claims
 - ii. Member Services
 - iii. Legal Counsel
2. The Medical Policy Committee is an ad hoc sub-committee consisting of network specialists who assist VCHCP in the development and evaluation of appropriateness of medical criteria including evaluation of new technological and procedures. (For description of sub-committee functions, see UM Section.)
3. The VCHCP Quality Assurance Committee approves the medical policies
4. The Utilization Management Department completes the following:
 - a. Makes approved policies available to network providers
 - b. Maintains an audit trail of revised medical policies
5. VCHCP has developed written UM procedures for applying criteria based on individual needs and assessment of the local delivery system. Nationally developed procedures for applying criteria, particularly those for lengths of hospital stay, often are designed to be appropriate for the uncomplicated patient and for a very complete delivery system; they may not be appropriate for the patient with complications or for a delivery system that does not include sufficient alternatives to inpatient care for the particular patient. Therefore, VCHCP considers the following factors when applying criteria to a given individual:
 - age
 - comorbidities
 - complications

- progress of treatment
 - psychosocial situation
 - home environment, when applicable
6. VCHCP also considers characteristics of the local delivery system that are available for the particular patient, such as:
- availability of skilled nursing facilities, rehabilitation facilities, subacute care facilities or home care in VCHCP's service area to support the patient after hospital discharge
 - VCHCP's coverage of benefits for skilled facilities, rehabilitation facilities, subacute care facilities or home care where needed
 - ability of local hospitals to provide all recommended and needed services within the estimated length of stay.

Consistency in Applying Criteria

VCHCP has developed a mechanism for assessing the consistency with which physician and non-physician reviewers apply UM criteria. The mechanism takes the form of a routine, periodic review of determination by the Medical Director and the UR Physician, including side-by-side comparisons of how different UM staff members manage the same cases; regular UM "rounds" attended by UM staff members and physicians to evaluate determinations and problem cases or periodic audits of determinations against criteria. VCHCP then acts on opportunities for improvement, if identified.

A. Attachments: none

B. References: CA Health and Safety Code section 1363.5 (a) (b) and (f)

C. Reviewers: Utilization Management Committee; Medical Director; QA Manager; Health Services Director

Reviewed/Revised by: Lita Catapang, RN & Albert Reeves, MD _____

- Committee Review:
 - o UM: August 2009; QAC: August 2009

Reviewed/No Changes by: Faustine Dela Cruz, RN & Albert Reeves, MD

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 - o UM: August 11, 2011; QAC: August 23, 2011

Reviewed/No Changes by: Faustine Dela Cruz, RN, Cecilia Cabrera-Urango, RN & Albert Reeves, MD

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 - o UM: February 9, 2012; QAC: February 28, 2012