

## Medical Necessity

For a service or item to be allowed against a spenddown or to reduce an HCBS client obligation, it must be medically necessary. The guidelines in this document shall be used to determine if a service or item is medically necessary for purposes of these program services only. These guidelines are not appropriate for persons in nursing facility arrangements, as most of the items listed are considered routine for nursing facility consumers and should be covered by the NF as part of the daily rate (See Nursing/Intermediate Care Facility Provider Manual, section 8400). Verification of the medical expense is required in all situations.

A. **Definition:** Medical necessity refers to a health intervention that meets the following guidelines:

1. it is recommended by the treating physician or other appropriate licensed medical professional.
2. it has the purpose of treating a medical condition.
3. it provides the most appropriate supply or level of service, considering potential harms and benefits to the patient.
4. it is known to be effective in improving health outcomes.
5. it is cost-effective for the condition being treated when compared to alternative interventions.

B. **Guidelines:** Items and services covered by Medicaid are considered medically necessary. Other interventions may be medically necessary if the above conditions are met. The following guidelines apply:

1. The items must be prescribed by an appropriate licensed practitioner authorized by state law or other qualified health professional and be for a specific medical condition. A medical practitioner cannot prescribe or establish medical necessity outside of his/her area of expertise (e.g. an optometrist can prescribe only eye-related services and medication).
2. The usual and customary rate is used when allowing any approved item or service. This is generally the amount the provider actually charged the individual. However, charges which appear excessive or beyond usual and customary rates may be submitted to KDHE-DHCF for review. See item B (5) below.
3. The item is allowed at the quantity and duration indicated by the ordering medical practitioner. Excessive quantities shall be submitted to KDHE-DHCF for review. Where lock-in providers exist, services and items provided or ordered by other like practitioners should be carefully reviewed, as they would generally not be allowable

unless there were special circumstances, such as an emergency.

4. Verification of medical necessity is required. This may be done by a doctor's statement, prescription form or the Statement of Medical Necessity form (Policy Form Item P-2). The medical condition for which the item is necessary as well as the prescribed level or frequency of service or necessary dosage should be included. The duration of the needed intervention should also be noted.
5. A list of services and items that may be allowed follows in Section D. Allowances for services not exceeding the limitations described in the medical necessity documentation may be allowed.
6. If the item or service is not on the list, if a home modification exceeds \$500.00 or if allowable home health expenses exceed the limits, KDHE-DHCF shall determine if the expense is medically necessary. The determination shall consider the individual customer's circumstances and needs. Requests for a determination by KDHE-DHCF shall include a description of the item or service, program involvement, and any other pertinent facts. The request and all supporting material should be sent electronically to: [kdhe.medicaideligibilitypolicy@ks.gov](mailto:kdhe.medicaideligibilitypolicy@ks.gov).
7. Medicaid, Medicare and other applicable third-party insurances must be billed and resolved prior to making any allowance.

C. **Non-Medically Necessary Items:** Certain items and services **are never medically necessary** and are excluded from consideration. These include, but are not limited to, the following:

1. A sex change operation, cosmetic surgery, reversal of sterilization.
2. Alternative therapies, such as acupuncture, massage therapy, homeopathy, naturopathy, herbal therapies, magnet therapy, prolotherapy and hydrotherapies.
3. Household items that can be used for non-medical purposes such as air conditioners, humidifiers/dehumidifiers, water beds, food scales, weight scales, blenders, sunglasses (including prescription), heat lamps, vaporizers, hot water bottles, heating pads and exercise equipment.
4. Services provided by nursing facilities which are non-Medicaid certified and those provided for a person who fails to meet level of care or provided during a period of ineligibility due to a transfer of property penalty period.
5. Community based services not provided by a medical practitioner or Medicaid-certified facility which have not been approved through the community-based screening team, except as noted in Item (25) in Section D below.
6. Non-medical expenses incurred in an assisted living or residential care facility, including room and board charges, are not medically necessary.

7. Over-the-counter drugs not prescribed by an appropriate licensed medical practitioner.
8. Routine medical supplies, such as rubbing alcohol, distilled water, cotton balls, facial tissues, toilet paper, and band-aids, even if prescribed by a medical practitioner.
9. Food replacements or food supplements and other special diets and aids to lose weight.
10. Delivery and shipping/handling charges for pharmacy and durable medical equipment.
11. Antacids, laxatives, mineral supplements, and vitamins (except prenatal).

**D. Medically Necessary Items or Services:** The following items are allowable with proper documentation of medical necessity from an appropriate medical practitioner:

1. Adult day care [See Item (25)].
2. Alternating Pressure Pads and Pumps.
3. Assisted Living – For persons meeting HCBS level of care, the costs of residing in an assisted living facility are allowable, with the exception of the portion attributable to room and board expenses.
4. Beds – Specialty beds such as hospital beds and specialty mattresses (e.g. water mattresses to relieve bed sores), bed rails, mattress covers.
5. Bedpans, urinals and basins.
6. Canes and Crutches.
7. CBD (Cannabidiol) Oil – CBD Oils with a prescription or statement of medical necessity is allowable.
8. Chiropractic Services.
9. Diapers and sanitary napkins, when used for incontinence, and other supplies such as underpads and chuxs.
10. Diet aids available through prescription, such as Xenical. Diet supplements, such as Ensure, needed by an individual to maintain weight are allowable.
11. Dental services (e.g. examination, cleaning, extractions, dentures, denture realigning, fillings, orthodontics) not covered by Medicaid.
12. Diabetic supplies, such as blood glucose monitors and supplies, including lancets, syringes and needles.

13. Dressing items for wound care (Applicators, tongue blades, tape, gauze, bandages, pads and compresses, ace bandages, Vaseline gauze, slings, splints, pressure pads).
14. Drugs – Prescription/legend drugs when prescribed by a licensed practitioner authorized under state law. Over-the-counter/non-legend drugs and antiseptics when prescribed by an appropriate practitioner to treat a specific medical condition. Also see Items (7) and (8) in Section C above.
15. (Service) Dogs and other Service Animals as defined by industry standards. Service animals are highly trained to meet the needs of the owner. Social or companion animals are not considered service animals. The cost of obtaining, replacing and maintaining the animal, including the costs of food for the animal and veterinarian bills.
16. Emollients, skin bonds or oils to prevent a condition from worsening.
17. Enema and enema equipment.
18. Enzymes and pro-biotics.
19. Eyeglasses or contact lenses prescribed by a physician skilled in eye disease or by an optometrist.
20. Feeding tubes – Parenteral and enteral infusion pumps.
21. Foot cradles and foot boards.
22. Gel pads or cushions, such as Action Cushion.
23. Gloves (rubber or plastic); masks.
24. Hearing aids and batteries.
25. Home health aide or attendant. Nursing services are allowed per item (37). Other home health services are allowable as follows:
  - a. For persons determined to meet LOC requirements for HCBS or institutional care, including those on a waiting list, services are allowable up to a maximum of \$1,000.00/month. These include services provided by a home health agency or other provider. Services provided by a spouse or if a minor child, a parent, are not allowable. Services must be itemized and must be consistent with the diagnosis/medical need.
  - b. For persons who do not meet LOC requirements, including those who have not yet been screened, medically necessary home health aid/attendant costs are allowable up to a maximum of \$250.00/per month. Amounts in excess of these must be submitted to KDHE-DHCF for review.

26. Home modifications (including the cost of building a ramp for a wheelchair) of \$500.00 or less.
27. Hospitalization: inpatient or outpatient treatment.
28. Insurance Expenses – Premiums for health insurance policies, including major medical and limited policies (such as hospitalization, long term care, cancer, ambulance and dental plans) except for those plans which provide only lump sum settlements for death or dismemberment or continue mortgage or loan payments while the insured is disabled. Premiums for hospital indemnity plans which provide a specified per diem rate are allowable if the policy indicated the payments are intended to cover medical expenses. Medicare premiums not subject to buy-in are also allowable.  
  
Insurance copayments, coinsurance and deductibles are also allowable. Medicare cost sharing is covered in full for persons QMB eligible and is not allowable for those consumers.
29. I.V. stands, clamps and arm boards.
30. Intermittent Positive Pressure Breathing (IPPB) machines.
31. Irrigation solution, such as sterile H<sub>2</sub>O or normal saline.
32. Lifts, including chair and van lifts. Costs of the mechanism or repairs to the mechanism only.
33. Medicaid cost sharing. Medicaid copayments are allowable.
34. Medical equipment and supplies for use in the home, including rental expenses.
35. Medical alert devices (e.g. LIFELINE) that can be activated in an emergency – the costs of purchase or rental, including installation charges. Pagers for persons awaiting an organ transplant are also allowable. Medical ID bracelets and necklaces noting the individual's specific condition.
36. Nebulizers.
37. Nursing care provided by a licensed nurse (RN, LPN).
38. Oxygen supplies and equipment such as masks, stands, tubing, regulators, hoses, catheters, cannulas and humidifiers which are part of the oxygen apparatus.
39. Podiatry Services.
40. Prosthetics, including purchase, rental and repair.
41. Psychiatry.

42. Rehabilitation Services.
43. Sheepskins, foam pads.
44. Sleep apnea devices.
45. Smoking cessation treatments, such as Nicoderm and patches.
46. Stethoscopes, sphygmomanometers (blood pressure cuff) and other examination equipment.
47. Suction pumps and tubing.
48. Syringes and needles.
49. Targeted Case Management – TCM services provided by an entity authorized to provide TCM under the Kansas Medicaid program are allowable.
50. Telephone fees (monthly charges) for amplifiers and warning signals for persons with disabilities and the costs of typewriter equipment that is connected to the telephone for deaf persons.
51. Transportation and lodging to obtain medical treatment or services which are covered by Medicaid or are considered medically necessary, including to and from services included on the HCBS plan of care. Lodging costs may also be allowed for 1 attendant, if necessary. Waiting time is allowed for commercial providers only. Ambulance transportation is allowable. Private vehicle mileage is allowable at the current state reimbursement rate for privately owned vehicles, including the enhanced rate for specially equipped or modified vehicles to accommodate a disability. Commercial transportation is allowable at the usual and customary rate of the provider.
52. TED (thrombo embolic deterrent) hose.
53. TENS (transcutaneous electric nerve simulator) units, if used for pain relief only. Units used for weight loss are not allowable.
54. Traction and trapeze apparatus and equipment.
55. Vehicle modifications for a person with a disability. Only the costs of the modifications are allowable. The cost of the vehicle is not allowable.
56. Walkers.
57. Wheelchairs – The cost of purchasing, maintaining, replacement and repair is allowable. A motorized wheelchair or scooter is allowable in lieu of a wheelchair.