

School: ATEC – Medical Management
Course: Medical Necessity & Utilization Review
Faculty: David Price, Director of Government Affairs, Preferred Medical

Summary

In the course "Medical Necessity & Utilization Review," David Price, General Counsel and Director of Government Affairs for Preferred Medical, provides an overview of the key concepts and processes involved in ensuring medical necessity in workers' compensation claims through utilization review (UR).

David Price begins by defining medical necessity as a legal standard that ensures treatments provided to injured workers are necessary for their recovery. This standard is established by statutes, regulations, and clinical evidence, and is crucial for preventing the misuse of the workers' compensation system. He emphasizes that medical necessity is not merely a clinical judgment but a legal requirement that must be met with substantial medical evidence.

The course then delves into the basics of utilization review, a process designed to ensure that treatments provided to injured workers are medically necessary. UR helps prevent the misuse of medical services and ensures that employers are not required to pay for treatments that are not essential for the worker's recovery. Price outlines the three main types of utilization review:

- *Prospective Review:* Conducted before the treatment is provided, ensuring the appropriateness of the treatment in advance.
- *Concurrent Review:* Performed while the treatment is being provided, typically during inpatient admissions, to monitor the ongoing necessity of the treatment.
- *Retrospective Review:* Occurs after the treatment has been provided, assessing whether the treatment was necessary based on the medical evidence available at the time.

Price emphasizes that different stakeholders play distinct roles in the UR process. Adjusters initiate and conclude the UR process, making final payment decisions based on UR determinations. Healthcare providers supply the necessary documentation and medical records for the review. UR nurses conduct initial reviews and can certify treatments that meet guidelines, while peer reviewers—physicians, dentists, chiropractors, or other clinicians—make final determinations on medical necessity, including denials.

The course also discusses the development of medical treatment guidelines, which provide a framework for determining medical necessity. These guidelines, whether

created by states or private companies, ensure consistency and efficiency in the treatment of injured workers. Price explains that guidelines protect patients by ensuring they receive evidence-based treatments, support healthcare providers by offering a clear roadmap for documenting medical necessity, and aid employers by preventing the approval of unnecessary treatments.

Moreover, Price outlines the limitations of UR, emphasizing that it does not dictate clinical practice or replace the judgment of treating physicians. UR does not address causation, compensability, or other legal aspects of workers' compensation claims.

The course concludes by highlighting the goals of a strong UR regulatory framework, which should protect patients from unnecessary treatments, provide healthcare providers with clear standards, and ensure that employers are not burdened with the cost of non-essential treatments. By promoting timely access to necessary treatments and reducing delays in care, a well-designed UR system ultimately aids in the recovery and return to work of injured workers.

Overall, Price's course provides a comprehensive understanding of medical necessity and utilization review, emphasizing the importance of legal standards, the roles of various stakeholders, and the development of effective guidelines to ensure the appropriate treatment of injured workers in the workers' compensation system.

Learning Objectives

1. Understand the concepts of medical necessity and utilization review in workers' compensation claims.
2. Identify the basic principles and legal standards for determining medical necessity.
3. Learn about the different types of utilization review and their specific roles in the review process.
4. Explore the roles and responsibilities of various stakeholders in the utilization review process.
5. Gain knowledge of common considerations and best practices in the utilization review framework.

Primary Takeaways

1. Medical necessity is a legal standard defined by statutes, regulations, and clinical evidence, and it is essential for determining the appropriateness of treatment in workers' compensation claims.

2. Utilization review (UR) is a structured process that helps ensure that treatments provided to injured workers are medically necessary and supported by clinical guidelines.
3. Different types of utilization review—prospective, concurrent, and retrospective—each play distinct roles in managing the appropriateness and timing of treatments.
4. Stakeholders in the UR process, including adjusters, healthcare providers, UR nurses, and peer reviewers, have specific roles that contribute to the overall effectiveness of the review process.
5. Effective UR systems protect patients, healthcare providers, and employers by ensuring access to necessary treatments, providing clear documentation standards, and preventing unnecessary or inappropriate treatments.

Course Outline

- 1) Introduction to Medical Necessity and Utilization Review
 - a) Overview of Preferred Medical and David Price's role
 - b) Importance of medical necessity and utilization review in workers' compensation
 - c) Course objectives and disclaimers
- 2) Basics of Medical Necessity
 - a) Definition and significance
 - i) Legal standard versus clinical standard
 - ii) Role of statutes, regulations, and court opinions
 - b) Determining medical necessity
 - i) Clinical evidence and treatment guidelines
 - ii) Types of treatments typically considered not medically necessary
- 3) Utilization Review (UR)
 - a) Definition and purpose
 - i) Ensuring appropriate and necessary treatment
 - ii) Preventing misuse of the system
 - b) Types of Utilization Review
 - i) Prospective review
 - ii) Concurrent review
 - iii) Retrospective review
 - c) Common considerations in UR
 - i) Timeframes and deadlines
 - ii) Documentation and evidence requirements

- 4) Roles in the Utilization Review Process
 - a) Adjuster
 - i) Initiates and concludes the UR process
 - ii) Makes final payment decisions
 - b) Healthcare Provider
 - i) Provides treatment and necessary documentation
 - c) UR Nurse
 - i) Conducts initial reviews
 - ii) Certifies treatments that meet guidelines
 - d) Peer Reviewer
 - i) Conducts in-depth reviews and makes final determinations

- 5) Creating Standards for Medical Necessity
 - a) Development of treatment guidelines
 - i) State-created versus privately-developed guidelines
 - ii) Public availability and updates
 - b) Protecting stakeholders
 - i) Ensuring patient safety and access to necessary treatments
 - ii) Providing clear documentation standards for providers
 - iii) Preventing arbitrary denials for employers

- 6) Conclusion
 - a) Recap of key points
 - b) Importance of a strong UR framework

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