



Troy Medicare Policy and Procedure

Title: Medical Necessity Guidelines for Coverage Determination		Policy Number: UM - 008	
Primary Department: Utilization Management	LOB: Medicare Advantage and D-SNP		Author: J Murphy
Effective Date: 11/1/22	Original Date: 10/3/2022	Review Date(s): 12/7/2023, 11/7/2024, 11/11/2025	Archive Date:
Interactive Related Department(s)			
<input type="checkbox"/> All Departments <input type="checkbox"/> Compliance <input checked="" type="checkbox"/> Medical Management <input type="checkbox"/> Provider Operations <input type="checkbox"/> Sales and Marketing	<input type="checkbox"/> Appeals and Grievances <input type="checkbox"/> Pharmacy <input type="checkbox"/> Member Services <input type="checkbox"/> Quality Management <input checked="" type="checkbox"/> Utilization Management	<input type="checkbox"/> Care Management <input type="checkbox"/> Enrollment <input type="checkbox"/> Plan Administration <input type="checkbox"/> Claims <input type="checkbox"/> Other	

Disclaimer: Troy Medicare Utilization Management applies CMS criteria and guidelines, National and Local Coverage Determinations (NCD/LCD), Clinix Internal Review Guidelines, Troy Utilization Review Policies, and MCG (Milliman Criteria Guidelines) Criteria. This suite of guidelines covers the spectrum of inpatient, outpatient, and rehabilitation, and care for medical, surgical, and behavioral health issues. In addition, Troy partners with vendors who provide clinical expertise for specific services.

POLICY PURPOSE

The purpose of this Policy is to provide guidance regarding the application of Medicare CMS policy for medical necessity determination of medical services provided by the Troy Medicare. CMS requires that Medicare Advantage (MA) Plans provide the same medical benefit as Original Medicare to MA members for medical services specifically addressed by CMS. This policy establishes the hierarchy of application of CMS policy documents to ensure the decision making process is based on accurate and consistent review of CMS policies. This policy establishes a process for evidence-based review and medical necessity determination of services not addressed by CMS policy. In addition to ensuring all Troy staff utilize the appropriate hierarchy, quality and remediation reviews will be accomplished by Troy internal reliability and monthly MD Quality Assurance reviews.

Troy Health, Inc. is committed to complying with all regulations and requirements for Medicare Advantage Plans, and applicable federal and state laws, including health care fraud and identity theft laws.

SCOPE

This policy applies to all delegates of and employees in Medical Management and Care Management at Troy for all lines of business.

REFERENCES

- 42 CFR §§422.101(a)-(c) and 422.109
- 42 CFR Part 422 Subpart M
- CMS Medicare Managed Care Manual, Chapter 4, Section 90
- CMS Parts C & D Enrollee Grievances, Organization/Coverage Determinations, and Appeals Guidance

RESPONSIBLE PARTIES

- Chief Clinical Officer
- Chief Medical Officer

DEFINITIONS

- Denial Rationale: If the medical review determines the medical necessity was not met, a rationale is written to identify the denial reason and the reference used in the decision making
- National Coverage Determination (NCD): a decision by Medicare and their administrative contractors that provide coverage information and determine whether services are reasonable and necessary. These guidelines apply across the United States wherever Medicare provides health coverage.
- Medicare Administrative Contractor (MAC): a network of private organizations contracted with CMS that carry out the administrative responsibilities of traditional Medicare (Parts A and B). The network is awarded a geographic jurisdiction to provide administrative functions for Medicare Part A and Part B beneficiaries. MACs are multi state, regional contractors.
- Local Coverage Determination (LCD): a decision by Medicare and their administrative contractors that provide coverage information and determine whether services are reasonable and necessary. These guidelines apply only to the areas of the country which the local Medicare Administrative Contractor, who author/adopts the LCD, has jurisdiction over.
- Local Coverage Articles (LCA): Local Coverage Articles are a type of educational document published by the Medicare Administrative Contractors (MACs). Articles often contain coding or other guidelines that are related to a Local Coverage Determination (LCD).
- National Guidelines/Evidence Based Guidelines: The clinical practice guideline contains systematically developed statements that include recommendations, strategies, or information that assists physicians and/or other health care practitioners and patients make decisions about appropriate health care for specific clinical circumstances.
- Medical Exigency: The medical exigency standard requires a plan and the independent review entity to make decisions as “expeditiously as the enrollee’s health condition requires”.
- Medical Necessity: Items and/or services that are reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member
- Medical Records: A medical chart is a complete record of a patient's key clinical data and medical history, such as demographics, vital signs, diagnoses, medications,

treatment plans, progress notes, problems, immunization dates, allergies, radiology images, and laboratory and test results.

POLICY

This policy outlines the UM Medical Necessity Guidelines for appropriate Medical Coverage Determination for all Troy Medicare staff and applicable delegates to follow when making Medicare coverage decisions..

PROCEDURE

1. Troy Medicare makes coverage determinations in accordance with all current evidence of coverage, CMS National Coverage Determinations (NCD) and Local Coverage Determinations (LCD/LCA). When no CMS coverage manual, NCD, or LCD/LCA, exists, then nationally recognized evidence-based guidelines must be applied to the medical necessity review such as MCG (Milliman Care Guidelines).

2. CMS NCDs, and LCD/LCAs are subject to change. Troy Medicare applies the most current versions of the NCDs, and LCD/LCAs in making coverage determinations. Providers are responsible for reviewing CMS payment policies and other available CMS guidance. Coverage benefits may vary between groups and contracts. Please refer to the appropriate Evidence of Coverage for applicable benefits/coverage.

3. Troy Medicare applies the following defined hierarchy for policy determinations:
 - i. Evidence of Coverage (EOC)
 - ii. National Coverage Determinations (NCD)
 - iii. If there is not an NCD, Troy Medicare will use the applicable Palmetto GBA (or other appropriate area or MAC) Local Coverage Determinations (LCD/LCA).
 - iv. If there are no CMS guidelines, Troy Medicare will apply nationally-recognized guidelines such as MCG.
 - v. Absent all the above, the clinical team will use Troy approved Utilization Management vendor guidelines and medical director determinations of medical necessity.

4. Medical Necessity Criteria Quality Control: Regular quality controls will occur to check for adherence to the Troy Medicare hierarchy for Medical Necessity review.

5. Medical Necessity Criteria Remediation: Clinical Team Members who fail to adhere to the medical necessity hierarchy will be coached and placed on a corrective action plan when deemed as necessary.

ATTACHMENTS/RELATED POLICIES/STANDARD OPERATING PROCEDURES

n/a

APPROVALS

Jennifer Murphy
Jennifer Murphy (Nov 24, 2025 09:34:42 EST)

Chief Clinical Officer

11/24/2025

Date

Sally Scott
Sally Scott (Nov 23, 2025 22:37:50 EST)

UM Committee

11/23/2025

Date

Revision History

Revision Date	Revised by Whom	Revisions Made
10.3.2022	J Murphy	Revised scope of observation stays, and related policies.
4.26.2023	J Murphy	Review by Policy Committee
12.7.2023	J Murphy	Annual review by Utilization Management Committee
11.8/2024	J Murphy	Annual review by Utilization Management Committee
11.11.2025	J Murphy	Revised Purpose, Annual review by Utilization Management Committee