AN ACT CONCERNING THE DEFINITION OF MEDICAL NECESSITY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (Effective July 1, 2010) (a) For purposes of the administration of the Medicaid program by the Department of Social Services, "medically necessary" and "medical necessity" mean those services required to prevent, identify, diagnose, treat, rehabilitate or ameliorate a medical condition or mental illness, or its effects, in order to attain or maintain maximum achievable health, functioning and independence, provided such services are: (1) Consistent with generally-accepted standards of medical practice that are based on (A) credible scientific evidence published in peer-reviewed medical literature that is generally recognized by the relevant medical community, (B) recommendations of a physician-specialty society, (C) the views of physicians practicing in relevant clinical areas, and (D) any other relevant factors, as determined by the Department of Social Services; (2) clinically appropriate in terms of type, frequency, timing, site, extent and duration and considered effective for the patient's illness, injury or disease; and (3) not primarily for the convenience of the patient, physician or other health care providers and not more

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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.

(b) The Department of Social Services, or a designee of the
department, shall conduct an individualized assessment of a Medicaid
recipient's medical condition or mental illness to determine whether
services are medically necessary or a medical necessity, as defined in
subsection (a) of this section, for the recipient.

This act shall take effect as follows and shall amend the following
sections:

| Section 1 | July 1, 2010 | New section |

Statement of Purpose:
To define the terms "medically necessary" and "medical necessity" for
the purpose of the administration of the Medicaid program.

(Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline,
except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is
not underlined.)