

<b>Topic:</b> Medical/clinical necessity	<b>Department:</b> Programs that provide a direct service to people we support
<b>Original effective date:</b> 7/1/10	<b>Last revision date:</b> 2/18/26
<b>Owner:</b> VP for Quality and Compliance	<b>Frequency of reviews:</b> Annual
<b>Internal/Regulatory Reference(s) (all that apply):</b> 18 NYCRR 521.3(a)(3)	
<b>Related documents/Links:</b> NA	

**Policy:** It is the policy of The Arc of Monroe to use data and other available information to support the evaluation of healthcare objectives and promote continuity of services and supports.

**Additional Information:** The Arc is committed to and has an obligation to comply with all applicable federal and state standards.

This policy applies to all parties who are affected by the agency's risk areas (to the degree that they are so affected) including our employees, managers, contractors, agents, subcontractors, and independent contractors.

The Arc will only provide services and supports that people need at a given time. This is often referred to as medical or clinical necessity. Providing services that are deemed clinically or medically unnecessary to the person could be considered misuse of governmental funds or, if done deliberately, fraud. Doing so could result in paybacks, fines or penalties.

Specifically, clinically or medically necessary services and supports are those that:

- Are designed to:
  - Prevent people from getting a certain condition
  - Check to see if someone has a certain condition
  - Treat a certain condition
  - Manage a certain condition
  - Prevent a condition from getting worse
- Are appropriate for the condition they are designed to assist with or address
- Need a certain level of training and skill, including the skills of Direct Support Professionals
- Are right for the person and their known or identified needs
- As often as possible, happen in settings that are not segregated by disability/ include people without disabilities as well.
- Are not done just because it's the easiest thing for staff or families to do. These need to be what the person truly needs even if it's more work for us as a provider.

Just because a person received a particular service or support in the past doesn't mean that's what they need now.

Services requiring an order (e.g., ordered services), such as those ordered by a physician, physician assistant or nurse practitioner, shall only be provided upon receipt of a valid order by a qualified

practitioner when required. Examples may include but are not limited to orders issued for Physical Therapy, Occupational Therapy, or select Nutrition Services provided via our Article 16 clinic.

Procedure	
Task:	Responsible party:
<b>General Guidelines:</b>	
<ol style="list-style-type: none"> <li>When people are first referred, appropriate agency staff will ensure that required information has been received. For some programs, that is our Admissions and Engagement Department, and for others it is program management. It is the program's job to make sure the service or support is truly what the person needs. This determination should be documented within the person's record.</li> <li>Every time a person has a case review (in some cases, this is called a Life Plan review, a Staff Action Plan review, or a Treatment Plan review), the program needs to make sure that their services and supports are still appropriate in addressing the person's identified needs. This should be clearly reflected in the record. Not every single element listed above needs to be discussed. It just needs to be clear that the program or service is still right for the person and why.</li> <li>In ArcHealth Services (Article 16 clinic), it is the medical director's job to ensure that the service is still needed. This is done at least once per calendar year as part of treatment plan review.</li> </ol>	Admissions and Engagement; Managers and staff  Managers and staff  Clinic medical director
<b>Manager Responsibilities:</b>	
<ol style="list-style-type: none"> <li>Managers have a responsibility to act as role models and establish the tone and expectation within their programs and teams for compliance with laws, rules and regulations. Specific to this policy, they need to understand the importance of medical/clinical necessity and its relationship to billing and potential agency risk.</li> <li>Managers need to ensure that staff in their programs understand the requirements listed in this policy, and to establish and maintain systems and procedures that will result in consistent compliance.</li> </ol>	Managers  Managers
<b>VP for Quality and Compliance:</b>	
<ol style="list-style-type: none"> <li>The VP for Quality and Compliance acts as the agency's Compliance Officer, as required in NYS law.</li> <li>Has primary responsibility for administering the agency's compliance program, and related policies and procedures.</li> <li>Acts as a resource for agency staff, managers, quality coordinators and leadership related to understanding and appropriately applying the concepts of clinical or medical necessity.</li> </ol>	VP for Quality and Compliance  VP for Quality and Compliance  VP for Quality and Compliance

**Document revision record:**

Revision Date	Release Date	Reason for change	Approver
5/25/12	5/25/12	Reasons for changes not documented	P Dancer
5/29/13	5/29/13	Reasons for changes not documented	P Dancer
10/27/14	10/27/14	Reasons for changes not documented	P Dancer
7/27/15	7/27/15	Reasons for changes not documented	P Dancer
4/28/17	4/28/17	Reasons for changes not documented	P Dancer
11/9/18	11/9/18	Reasons for changes not documented	P Dancer
10/29/19	10/29/19	Transitioned to the new procedural format	P Dancer
6/23/21	7/13/21	Fleshed out details and added discrete sections for managers and VPQC	ICC
6/30/22	6/30/22	Removed unnecessary and confusing examples	ICC
3/10/23	3/15/23	Specified whom this policy applies to; added a specific statement regarding ordered services	ICC
7/26/23	7/26/23	Clarified statement regarding non-segregated services; clarified initial review of referrals; clarified calendar year for clinic reviews	ICC
6/27/24	7/18/24	Clarified some language; corrected typos	ICC
7/23/25	7/23/25	Revisions made to clarify the policy and procedure; updated a department name	ICC
2/18/26	2/18/26	Added formal reference regarding our commitment to following federal and state standards	ICC