**Appendix C: Sample Medical Necessity Letter – Outpatient Services**

Date

Member: Jane Doe

Member DOB: [insert]

To Whom It May Concern:

This letter describes my clinical assessment and the medically necessary treatment for Ms. Jane Doe. I have been treating Ms. Doe since approximately [insert date].

I am a [insert professional guild] and have been in practice for over [insert] years. I was educated at [insert name of university, medical school, etc.], interned at the [as applicable, insert name of internship program/hospital, etc.], and completed a [insert] year fellowship at [as applicable, insert name of fellowship, residency training program, etc.]. I specialize in working with adult patients, like Ms. Doe, who have experienced childhood adversity and trauma which has manifested into chronic and complex psychiatric symptoms. I have authored several publications pertaining to these issues.[[1]](#footnote-1)

Ms. Doe is diagnosed with posttraumatic stress disorder (F43.10), generalized anxiety disorder (F41.1), and borderline personality disorder (F60.3). Her symptoms cause clinically significant distress and impairment in her social, occupational, family role, and recreational functioning as evidenced by interpersonal conflicts with friends and work colleagues, family discord, intermittent social withdrawal, and difficulty performing at expected levels in work. I provide twice weekly outpatient psychotherapy which is medically necessary to treat Ms. Doe’s mental health conditions in a safe and effective manner. Ms. Doe has been unable to function adequately between sessions at a lower frequency.

As you are likely aware, the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (the “Federal Parity Act”) is an insurance nondiscrimination law designed to protect patients who seek treatment for mental health and substance use disorders. [Insert Insurance Company] and their contracted third-party plan administrators are bound by federal and state antidiscrimination laws that protect patients with mental health and substance use conditions and provide for their access to needed medical care. The Final Rules under the Federal Parity Act, issued in 2013 and effective in 2014, expressly forbids insurers from impeding access to medically necessary and contractually obligated mental health services.[[2]](#footnote-2) [[3]](#footnote-3)

In all areas of medicine, there is no single source of generally accepted standards of care. Rather, generally accepted standards of care are derived from multiple sources such as practice guidelines from professional organizations, guidelines and materials distributed by government agencies, and evidence-based peer-reviewed studies in academic journals.[[4]](#endnote-1) Behavioral health experts and leading medical specialty groups such as the American Medical Association, the American Psychiatric Association, and the National Council for Mental Wellbeing,[[5]](#footnote-4) among others, have coalesced around **eight principles of effective treatment** that reflect generally accepted standards of care.[[6]](#endnote-2) [[7]](#endnote-3) These standards are consistent with non-profit professional sources of accepted standards, such as the Level of Care Utilization System for Psychiatric and Addiction Services (LOCUS) and the American Society for Addiction Medicine Treatment Criteria for Addictive, Substance Related and Co-Occurring Conditions (ASAM Criteria) that evaluate medical necessity for treatment throughout the continuum of care. Following these standards is seen as best medical practice.

My determination as to the medically appropriate level of care reflects an overall assessment of Ms. Doe based on clinical observation, a review of her medical records, and use of the LOCUS criteria for determining level of care. The LOCUS is a nationally used third-party guide developed by the American Association of Community Psychiatrists that assesses service needs over six dimensions and six defined levels of resource intensity. Based on the following LOCUS scores, Ms. Doe meets criteria for **Level Two – Low Intensity Community Based Services**, which I am providing through twice weekly outpatient psychotherapy. Here are her full scores. Please note that I am certified by the American Association of Community Psychiatrists (AACP) to score the LOCUS and generated these scores via an electronic scoring algorithm [LOCUS Version 20] licensed by Deerfield Solutions, LLC., on behalf of the AACP.[[8]](#footnote-5)

Dimension I: Risk of Harm - Level [insert] – [insert] Risk of Harm: Meets criterion [insert]

Dimension Il: Functional Status - Level [insert] – [insert] Impairment: Meets criterion [insert]

Dimension III: Medical, Addictive, and Psychiatric Co-Morbidity - Level [insert] – [insert] Co-morbidity: Meets criterion [insert]

Dimension IV: Recovery Environment A) Level of Stress - Level [insert] – [insert] Stressful Environment: Meets criterion [insert]

Dimension IV: Recovery Environment B) Level of Support - Level [insert] – [insert] Support in Environment: Meets criterion [insert]

Dimension V: Treatment and Recovery History - Level [insert] – [insert] Response to Treatment and Recovery Management: Meets criterion [insert]

Dimension VI: Engagement - Level [insert] – [insert] Engagement and Recovery: Meets criterion [insert]

As demonstrated, there are good clinical reasons to believe that twice weekly outpatient psychotherapy is medically necessary and consistent with generally accepted standards of effective treatment. In line with generally accepted standards of effective treatment, my treatment plan is based on a **multidimensional assessment** that accounts for a wide variety of information about Ms. Doe;[[9]](#endnote-4) [[10]](#endnote-5) [[11]](#endnote-6) [[12]](#endnote-7) includes treatment of **underlying conditions** (e.g., early adversity, trauma, chronicity) **and is not limited to alleviation of current symptoms**;[[13]](#endnote-8) [[14]](#endnote-9) considers Ms. Doe’s **individual needs without arbitrary limits on the duration of such treatment**;[[15]](#endnote-10) [[16]](#endnote-11) [[17]](#endnote-12) [[18]](#endnote-13) includes services needed to **improve functioning, maintain day-to-day functioning, and to prevent deterioration**;[[19]](#endnote-14) [[20]](#endnote-15) [[21]](#endnote-16) places Ms. Doe in the **least intensive and restrictive level of care that is both safe and effective**;[[22]](#endnote-17) [[23]](#endnote-18) [[24]](#endnote-19) and **errs on the side of caution** in determining level of care.[[25]](#endnote-20)

The appropriate level of care for Ms. Doe reflects my professional assessment for its treatment efficacy, patient safety, and overall management of her behavioral health needs. It is my professional opinion that Ms. Doe’s condition would deteriorate if her current treatment services were prematurely withdrawn. I trust you are committed to upholding your legal and ethical responsibility as Ms. Doe’s fiduciary. I am sure Ms. Doe will expect you to honor the terms of her Plan.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

[signature]

1. Cite publications (or other relevant qualifications), as appropriate [↑](#footnote-ref-1)
2. You may elect to include a statement regarding any applicable laws pertaining to the state where the patient’s insurance policy was written. ParityTrack, which partners with the Kennedy Forum, among other groups, is a helpful resource: https://www.paritytrack.org/reports/ [↑](#footnote-ref-2)
3. As applicable, you may wish to include the Plan’s definition of “medical necessity.” Many plans require medical necessity to be determined under “generally accepted standards of care.” Your patient can obtain this information by reviewing their full Policy (sometimes referred to as the *Subscriber Certificate and Riders* or *Certificate of Coverage*). [↑](#footnote-ref-3)
4. Some sources of generally accepted standards include:

   American Association for Community Psychiatrists Level of Care Utilization System (LOCUS); American Association for Community Psychiatrists Child and Adolescent Level of Care Utilization System (CALOCUS); American Society of Addiction Medicine (ASAM) Criteria; Principles of Care for Treatment of Children and Adolescents with Mental Illnesses in Residential Treatment Centers; Medicare benefit policy manual (CMS Publication No. 100-02); American Psychiatric Association Clinical Practice Guidelines [↑](#endnote-ref-1)
5. On May 6, 2021, The National Council for Behavioral Health changed its name to the National Council for Mental Wellbeing  [↑](#footnote-ref-4)
6. *Wit v. United Behavioral Health*. Brief amicus curiae of American Psychiatric Association, American Medical Association, California Medical Association, Southern California Psychiatric Society, Northern California Psychiatric Society, Orange County Psychiatric Society, Central California Psychiatric Society and San Diego Psychiatric Society. 5 May 2021. https://www.psychiatry.org/File%20Library/Psychiatrists/Directories/Library-and-Archive/amicus-briefs/amicus-2021-Wit-v-United-Behavioral-Health-Nos-20-17363-20-17364-21-15193021-15194.pdf. [↑](#endnote-ref-2)
7. The National Council for Behavioral Health. (2019). *Generally Accepted Standards of Care for Behavioral Health* [Position Statement]. https://www.thenationalcouncil.org/wp-content/uploads/2022/02/MDI-Wit-v-UBH-Position-Statement.pdf [↑](#endnote-ref-3)
8. If you are interested in pursuing LOCUS training, see <https://deerfieldsolutions.com/training>; For electronic LOCUS scoring options, see <https://deerfieldsolutions.com/licensing> [↑](#footnote-ref-5)
9. American Association for Community Psychiatry: LOCUS 20 (Level of Care Utilization System), 2016 Available at: https://sites.google.com/view/aacp123/resources/locus [↑](#endnote-ref-4)
10. American Association for Community Psychiatry: CALOCUS 20 (Child and Adolescent Level of Care Utilization System), 2019 Available at: https://sites.google.com/view/aacp123/resources/locus [↑](#endnote-ref-5)
11. Mee-Lee, D., & Shulman, G. (2014). The ASAM criteria and matching patients to treatment. *The ASAM Principles of Addiction Medicine. 5th ed. China: Wolters Kluwer Health*. [↑](#endnote-ref-6)
12. American Psychiatric Association. (2020). *Level of Care Criteria for Acute Psychiatric Treatment* [Position Statement]. https://www.psychiatry.org/File%20Library/About-APA/Organization-Documents-Policies/Policies/Position-Continuing-Care-Criteria.pdf [↑](#endnote-ref-7)
13. SAMHSA. (2012). *SAMHSA’s Working Definition of Recovery: 10 Guiding Principles of Recovery* [Brochure]. https://store.samhsa.gov/sites/default/files/d7/priv/pep12-recdef.pdf [↑](#endnote-ref-8)
14. American Psychiatric Association. (2018). *Use of the Principles of Recovery* [Position Statement]. https://www.psychiatry.org/File%20Library/About-APA/Organization-Documents-Policies/Policies/Position-Use-of-the-Principles-of-Recovery.pdf [↑](#endnote-ref-9)
15. U.S. Centers for Medicare & Medicaid Services. (Revised 12/31/20). Medicare benefit policy manual chapter 6 - hospital services covered under Part B (CMS Publication No. 100-02). https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c06.pdf [↑](#endnote-ref-10)
16. Lazar, S.G., Bendat, M., Gabbard, G., Levy, K., McWilliams, N., Plakun, E.M., Shedler, J., & Yeomans, F. (2018). Clinical necessity guidelines for psychotherapy, insurance medical necessity and utilization review protocols, and mental health parity. *Journal of Psychiatric Practice*, *24*(3), 179-193. doi:10.1097/PRA.0000000000000309 [↑](#endnote-ref-11)
17. APA, *supra* note 7. [↑](#endnote-ref-12)
18. APA, *supra* note 9. [↑](#endnote-ref-13)
19. CMS, *supra* note 10. [↑](#endnote-ref-14)
20. SAMHSA, *supra* note 8. [↑](#endnote-ref-15)
21. LOCUS, *supra* note 4. [↑](#endnote-ref-16)
22. Plakun, E.M. (2019). Psychotherapy and advocacy: Four freedoms as fundamental patient rights. *Journal of Psychiatric Practice,* *25*(2), 128-131. doi:10.1097/PRA.0000000000000366 [↑](#endnote-ref-17)
23. ASAM, *supra* note 6. [↑](#endnote-ref-18)
24. Lazar, *supra* note 11. [↑](#endnote-ref-19)
25. LOCUS, *supra* note 4. [↑](#endnote-ref-20)