How to Write an Effective Letter of Medical Necessity for AHCCCS/ALTCS (Arizona Medicaid) Services

Goal of Letter: To explain to health plan
(1) why patient needs the service
(2) consequences if service is not provided
(3) that service is “medically necessary”

General AHCCCS Definition of Medical Necessity
Medically necessary services are those covered services that:
(1) are provided by a physician or other licensed practitioner of the healing arts within the scope of practice under state law
(2) to prevent disease, disability, or other adverse health conditions or their progression, or prolong life

Arizona Administrative Code (A.A.C.) R9-22-201

For AHCCCS Members Under Age 21—EPSDT Requirements

The Early Periodic Screening Diagnosis and Treatment (EPSDT) provisions of the Medicaid Act require that AHCCCS members under 21 be provided with all health care necessary to “correct or ameliorate physical and mental illnesses and conditions,” even if the service is not generally covered for adults. Arizona Administrative Code (A.A.C.) R9-22-213

Contents of Effective Letter of Medical Necessity from Physician:

(1) Doctor’s or health care professional’s relationship with patient and authority to make recommendation (i.e. credentials)

(2) Patient’s exact diagnosis

(3) Duration of Patient’s condition

(4) Patient’s functional limitations, capabilities and abilities (if applicable)

(5) Description of the service or item being prescribed

(6) Why the requested services is MEDICALLY NECESSARY, either under the general AHCCCS definition of medical necessity, or if the AHCCCS member is under 21, under the EPSDT requirements

(7) How the use of the service or item will allow the patient to function independently and/or improve the patient’s health: e.g. perform tasks in the home, improve patient’s mobility, improve muscle strength

(8) Anticipated limitations or health problems which can occur if the service is not provided

(9) An explanation of any other rationale that provides support for the requested service (e.g., safety, cost effectiveness, no other alternative treatment, other treatments/services/medications etc. have been tried and have failed)