

## Documentation of Medical Necessity

---

### Documentation of Medical Necessity

Recovery Audit Contractors (RACs) and Medicare Administrative Contractors (MACs) are scrutinizing medical necessity decisions for certain DRGs, focusing these reviews on the medical necessity for inpatient admission.

Regulatory agencies require specificity in documentation supporting the severity of illness and intensity of service. Medical necessity for inpatient admissions is supported by the documentation of:

- Severity of signs and symptoms
- Necessity diagnostic evaluation
- Length of time the patient is expected to require hospitalization
- Risk of adverse outcomes

Physicians can strengthen medical necessity by detailing the underlying illnesses or diseases and the risk for adverse events in their documentation.

Medical necessity for the following clinical situations must be documented by the provider as well:

- Observation status
- Surgery
- Minor procedures
- Diagnostic tests
- Therapeutic services
- Prescriptions
- Evaluation and management services

Documenting the process of medical decision making is the most straightforward method of determining and supporting medical necessity.

*“Mr. Kenost is a 68 year old male with multiple comorbidities. He has a modest size aneurysm that does not require immediate treatment but will in the near future. Major concern is bilateral lower extremity claudication, which will require surgery. The aneurysm, in addition to total occlusion on the right makes endovascular intervention a bad idea at this time. Open surgery would treat both of these problems...”*

**Instead of:**

*“Bilateral claudication. Surgery to be scheduled for next week.”*