Medical Necessity for Children in Medi-Cal

Problem:
The state inappropriately applies a restrictive standard of medical necessity in determining eligible services for children on Medi-Cal unless a health provider knows to ask for the broader medical necessity standard for children, known as Early and Periodic Screening, Diagnostic, and Treatment (EPSDT). Some health providers and Medi-Cal managed care plans are unaware that there are different medical necessity standards for children and adult. For health providers who are informed, many do not know what they must explicitly do to ensure the broader EPSDT standard is applied for a patient under age 21. This results in many children and youth being denied access to dental, health, and mental health services they should be receiving.

Background:
The federal EPSDT standard requires that children under age 21 receive services that are medically necessary to correct or ameliorate any physical or mental illness or condition. Under existing state Medi-Cal law, however, a service is “medically necessary” when it is reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain.

The EPSDT standard recognizes that children and adolescents are not little adults, and thus, their health care needs are different from those of adults and therefore the benefit is more robust than the Medicaid benefit for adults. EPSDT is designed to ensure children get the health care they need when they need it, so that health problems are averted or diagnosed and treated as early as possible. The EPSDT scope of benefits includes both the mandatory and optional services that the state can cover under Medicaid law (those listed in 42 U.S.C. § 1396d(a)), whether or not such services are covered for adults under the state’s Medicaid Plan. This means the state must provide all children enrolled in the Medi-Cal program with services that are necessary to “correct or ameliorate” a physical or mental illness or condition.

This bill would ensure that beneficiaries under age 21 get access to medically necessary EPSDT covered Medi-Cal services by:

- Aligning the current state law to comply with the federal law and regulations related to the EPSDT benefit in California.
- Ensuring the state, Medi-Cal health plans, and county mental health plans comply with the correct medical necessity standard for Medi-Cal services provided to children under age 21.
- Helping health providers understand the appropriate medical necessity standard under state law.

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