

## MEDICAL NECESSITY AUDITS: NOT JUST A GOVERNMENTAL PAYOR ISSUE

As of late, commercial payors appear to be increasing the number of audits they are conducting focused on medical necessity. The commercial payor audit notices and overpayment demands appear to rely on some of the same techniques as those of government auditors, such as data analysis for outliers, predictive modeling and extrapolation, to scrutinize claims submitted by their network of providers and hospitals.

Regardless of an audit's origin, providers should approach any audit with a thorough, organized response. For commercial audits, the relevant guidance from the payor contract and the payor policies and procedures, such as the applicable provider manual(s), should be carefully reviewed to understand potential arguments related to the claims submitted and to appropriately reserve all rights related to appeals. Many states have adopted managed care laws that expressly define medically necessary. Any evaluation of medical necessity for purposes of commercial payor obligations should consider existing state law and industry standards.

Hall Render attorneys represent health care providers of all types and sizes in connection with government and private payor audits, as well as in a multitude of other managed care and compliance matters.

If you have questions or would like additional information about this topic, please contact:

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