

APA Official Actions

Position Statement on Medical Necessity

Approved by the Board of Trustees, December 2025

Approved by the Assembly, November 2025

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"Policy documents are approved by the APA Assembly and Board of Trustees. . . These are . . . position statements that define APA official policy on specific subjects. . ." – *APA Operations Manual*

Issue:

Medical necessity determinations have been an ongoing problem between providers and the insurance industry that approves services provided to our patients. AMA defines medical necessity as "Health care services or products that a prudent physician would provide to a patient for the purpose of preventing, diagnosing, or treating an illness, injury, disease, or its symptoms in a manner that is (a) in accordance with generally accepted standards of medical practice; (b) clinically appropriate in terms of type, frequency, extent, site, and duration; and (c) not primarily for the economic benefit of the health plans and purchasers or for the convenience of the patient, treating physician, or other health care provider." There is a lack of transparency and availability of level of care and coverage guidelines to the public and providers of health care. Such guidelines are often developed without input from professional societies and experts in the clinical community. As a result, necessary medical services and benefits are often denied to patients, based on arbitrary and sometimes capricious criteria.

It is the position of APA that:

- **Medical necessity criteria should be developed by professional medical societies, using clinical standards of care (including practice guidelines where available).**
- **Medical necessity criteria for any psychiatric service should be consistent across all payers and be publicly available to healthcare providers and patients.**
- **Criteria for determination, enforcement, and appeals of medical necessity, pertaining to psychiatric services, should be made by a psychiatric physician in a timely process through independent medical review and be publicly available to healthcare providers and patients to help assure transparency for all parties.**