Policy and Procedure

Policy Name: Criteria for Utilization Review	**Policy#:** UM-101	**Version#:** 10
Author Department: Utilization Management	**Origination Date:** 9/15/2021	
Business Units Impacted: All lines of business for which COA performs Utilization Review. Covers NCQA UM 2.	**Date Last Reviewed:** 5/07/2026	
Products/LOBs: RAE and CHP+	**Date Approved by CPT:** 05/07/2026	

DEFINITIONS:

Medically Necessary (RAE/Medicaid and CHP+) Those covered mental health or substance use disorder services which are determined under the applicable Utilization Management (UM) Program that:

1. Will or is reasonably expected to prevent, diagnose, cure, correct, reduce, or ameliorate the pain and suffering, or the physical, mental, cognitive, or developmental effects of an illness, condition, injury, or disability. This may include a course of treatment that includes mere observation or no treatment at all
2. Is provided in accordance with generally accepted professional standards for health care in the United States
3. Is clinically appropriate in terms of type, frequency, extent, site, and duration
4. Is not primarily for the economic benefit of the provider or primarily for the convenience of the client, caretaker, or provider
5. Is delivered in the most appropriate setting(s) required by the client's condition
6. Is not experimental or investigational
7. Is not more costly than other equally effective treatment options

Medically Necessary (EPSDT under Medicaid): A program, good, or service that:

1. Will or is reasonably expected to assist the client to achieve or maintain maximum functional capacity in performing one or more Activities of Daily Living
2. Is provided in accordance with generally accepted professional standards for health care in the United States
3. Is clinically appropriate in terms of type, frequency, extent, site, and duration
4. Is not primarily for the economic benefit of the provider or primarily for the convenience of the client, caretaker, or provider
5. Is delivered in the most appropriate setting(s) required by the client's condition
6. Provides a safe environment or situation for the child
7. Is not experimental or investigational
8. Is not more costly than other equally effective treatment options
   *Please reference UM104 Early and Periodic Screening, Diagnostic and Treatment (EPSDT)

Utilization Management (UM): A set of formal techniques designed to monitor the use of, or evaluate the clinical necessity, appropriateness, efficacy, or efficiency of, healthcare services, referrals, procedures, or settings. Techniques include ambulatory review, prospective review, second opinion, certification, concurrent review, case management, discharge planning, or retrospective review. For the purposes of this policy and procedure, utilization review shall also include reviews for the purpose of determining coverage based on whether or not a procedure or treatment is considered experimental or investigational in a given circumstance, and reviews of a

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covered person's medical circumstances, when necessary, to determine if exclusion applies in a given situation. Please reference UM102 Utilization Review Determinations for more information about the utilization review process.

SCOPE:
This policy applies to all UM activities conducted by Colorado Access (COA or organization) for behavioral and physical health services across Medicaid, CHP+, and other applicable product lines. The policy defines the criteria and procedures used to determine medical necessity, applies to all COA staff with decision-making authority in utilization management (UM), and ensures consistent and equitable evaluation of healthcare services.

PURPOSE:
This policy outlines the framework of UM at COA and ensures all determinations of medical necessity are based on recognized clinical criteria and relevant standards of care.

STATEMENT OF POLICY:
COA uses criteria for utilization review that is no more restrictive than that used in the regulatory, statutory, or contractual requirements relative to the product line under which utilization review is being completed. COA ensures that any utilization management criteria or service limitations for mental health disorders and substance use disorders are no more restrictive than the predominant UM criteria or service limitations under the medical/surgical benefits for the same treatment classification. COA covers all medically necessary covered treatments for covered behavioral health (BH) diagnoses, regardless of any co-occurring conditions. COA ensures that a diagnosis of an intellectual or developmental disability, a neurological or neurocognitive disorder, or a traumatic brain injury does not preclude an individual from receiving a covered behavioral health service.

COA is responsible for covering services that address:

- The prevention, diagnosis, and treatment of a member's disease, condition, and/or disorder that results in health impairments and/or disability
- The ability for a member to achieve age-appropriate growth and development
- The ability for a member to attain, maintain, or regain functional capacity
- The opportunity for a member receiving long-term services and supports to have access to the benefits of community living, to achieve person-centered goals, and to live and work in the setting of their choice.

COA makes UM determinations based on professionally recognized evidence-based written criteria or established guidelines and specifies the procedures to apply those criteria in an objective, appropriate and consistent manner. COA utilizes nationally recognized evidence-based clinical criteria and relevant community standards of care for utilization review of physical health,

behavioral health and pharmacy services:

1. COA utilizes InterQual criteria. COA has maintained annual licensure for InterQual criteria and uses these criteria for UM determinations for all lines of business. The InterQual criteria are reviewed annually by senior medical staff and when new updates are released between the annual reviews, staff are provided training as needed based on InterQual updates. For all levels of care related to the treatment of substance use disorder (SUD), COA uses American Society of Addiction Medicine (ASAM) criteria which is a set of criteria integrated into InterQual.

2. For services requiring prior authorization that are not in InterQual, COA develops clinical criteria used to determine medical necessity. When a service or code is not addressed in InterQual or another adopted standard set, the organization develops custom clinical criteria to support a consistent, evidence-based prior authorization review process. Custom criteria are developed to match the specific treatment, procedure, or service requested and are based on the best available sources of clinical guidance. These sources may include evidence-based guidelines, applicable state policy requirements, available medical literature, applicable regulatory requirements, and any relevant clinical standards as well as input from appropriate practitioners through the Pharmacy and Therapeutics Committee, Quality Management Committee, UM Medical Directors, or other clinical governance committees, as appropriate. The custom criteria are then reviewed, validated, and approved through the organization's established clinical oversight process before being used in UM determinations.

3. The organization routinely reviews its UM criteria and procedures to ensure alignment with current clinical and medical evidence. A designated clinical committee or workgroup, which includes practitioners with appropriate expertise, is involved in the adoption and review of criteria by evaluating the relevance, accuracy, and clinical appropriateness of UM criteria at least annually or more frequently if new evidence emerges. When updated clinical guidelines or peer-reviewed research is available, the organization incorporates the new evidence into its UM criteria and related procedures. In the absence of new scientific evidence, the designated group assesses whether continued use of the existing criteria is appropriate or if further review or revision is needed. Documentation of all reviews, decisions, and updates is maintained for transparency and compliance.

4. Practitioner Involvement in Criteria Review **-** COA involves both internal and network practitioners with relevant clinical expertise in the development, adoption, and annual review of UM criteria. The organization ensures that at least one network practitioner participates in the review process annually. If participation is not feasible, COA documents outreach efforts and rationale for non-participation.

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PROCEDURES:

A. Application of Criteria

1. All clinical staff with decision-making authority are trained (at hire and ongoing) on InterQual and ASAM criteria (see UM100 Qualifications for Staff Engaged in UM Activities for more information about staff with decision making authority).

2. UM staff considers the individual needs of the member (at a minimum this includes age, comorbidities, complications, progress of treatment, psychosocial situation, and home environment) when applying criteria. UM staff requests the minimum necessary clinical information to make coverage decisions based on individual needs.
3. The COA UM department takes into consideration available services, options, and resources in the network and local delivery system and the ability of those to meet the individual's health care needs when the UM criteria are used and the UM process is conducted.

4. After available information is submitted to COA, UM staff conducts UM using adopted written criteria.

5. If the information provided does not meet medical necessity criteria for the services being requested, the UM staff forwards the request to a physician for review. Any decision to deny a service authorization request or to authorize a service in an amount, duration, or scope that is less than requested will be made by a physician who has appropriate clinical expertise in treating the member's condition or disease.

6. COA assures that staff and physicians performing determinations of medical necessity are consistent in the application of criteria for decision making through annual (and ad hoc, if needed) inter-rater reliability assessments. Each staff member must pass the inter-rater reliability assessment with a score of 90% or higher. The cases in the inter-rater reliability assessment are hypothetical.

B. Dissemination of the Criteria

1. All -UM criteria are available to members, potential members, and relevant providers upon request (via telephone or in person). UM criteria are available electronically to all practitioners on COA website so they are available at the point of care. Practitioners are informed this information is online through the Provider Newsletter.

2. All adverse benefit determination notifications sent to members and providers include instructions on how to obtain a copy of the criteria used in the review.

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C. Criteria Applied by Service Type

1. COA uses InterQual and ASAM criteria for each service type/level of care available (relevant to the services that require prior authorization). If no InterQual or ASAM criteria are available, COA applies COA Custom clinical criteria. The following table lists the services that currently require prior authorization and the criteria that are applied to each type of review. If a service does not have InterQual or ASAM listed, then no InterQual or ASAM criteria are available for use.

Behavioral Health Service Types			
Level of Care	**InterQual Criteria**	**Statutory definitions of medical necessity**	**ASAM Criteria**
Inpatient Hospitalization	X	X	
Acute Treatment Unit (non-hospital)	X	X	
Day Treatment	X	X	
Partial Hospitalization	X	X	
Mental Health Transitional Living Level 2	X	X	
Long-term Residential Services	X	X	
Qualified Residential Treatment Program	X	X	
Psychiatric Residential Treatment Facility	X	X	
Mental Health Intensive Outpatient Services	X	X	
Psychological Testing	X	X	
SUD Inpatient – Withdrawal Management (ASAM 3.7WM)		X	X
SUD Inpatient treatment (ASAM 3.7)		X	X
SUD Residential treatment (ASAM 3.5)		X	X
SUD Residential treatment (ASAM 3.3)		X	X
SUD Residential treatment (ASAM 3.1)		X	X
SUD Partial Hospitalization (ASAM 2.5)		X	X
SUD Intensive Outpatient treatment (ASAM 2.1)		X	X

Physical Health Service Types			
Level of Care	**InterQual Criteria**	**Statutory definitions of medical necessity**	**ASAM Criteria**
Inpatient Hospitalization	X	X	

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Physical Health Service Types			
Level of Care	**InterQual Criteria**	**Statutory definitions of medical necessity**	**ASAM Criteria**
NICU	X	X	
Inpatient Rehabilitation	X	X	
Inpatient Transplant	X	X	
Outpatient Facility Procedures	X	X	
Durable Medical Equipment	X	X	
Home Health – Nursing	X	X	
Home Health – Occupational Therapy	X	X	
Home Health – Physical Therapy	X	X	
Home Health – Speech Therapy	X	X	
Outpatient Rehabilitation	X	X	
Outpatient infusions/injections	X	X	

REFERENCES:
UM100 Qualifications for Staff Engaged in Utilization Management Activities
UM102 Utilization Review Determinations

ATTACHMENTS:
None

POLICY HISTORY:

SUMMARY OF REVIEW/REVISION/APPROVAL DATES:
Version 1: 09/15/21, Version 2: 11/15/21, Version 3: 07/15/22, Version 4:11/01/22, Version 5: 11/17/23, Version 6: 01/24/24 Version 7: 11/21/2024, Version 8: 10/23/2025 Annual Review, NCQA updates, Version 9: 02/19/26 NCQA updates to statement of policy sections 4 & 5, Version 10: 05/07/2026 NCQA updates. Replaced UR with UM and clarified criteria governance and access.

APPROVAL BODY: COA Core Policy Team **APPROVAL DATE:** 05/07/2026