

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT2025102 JULY 1, 2025

IHCP updates the prior authorization and utilization management hierarchy for MCEs

Beginning Aug. 1, 2025, managed care entities (MCEs) will follow the prior authorization and utilization management (PA-UM) medical criteria hierarchy described in this bulletin to determine medical necessity.

This guidance applies to all Indiana Health Coverage Programs (IHCP) managed care programs, including Healthy Indiana Plan (HIP), Hoosier Care Connect, Hoosier Healthwise and Indiana PathWays for Aging (PathWays).

This bulletin updates direction previously published in *IHCP Bulletin* [BT2022117](#). The Office of Medicaid Policy and Planning (OMPP) reserves the right to add or remove IHCP criteria and will provide the MCEs with appropriate notice.



The MCE may use InterQual or Milliman Care Guidelines (MCGs), MCE-developed PA-UM policy and criteria or IHCP policy to determine medical necessity. MCE-developed PA-UM policy and criteria must be approved by the state and made available to the state. MCEs must publicly post the criteria they use to render medical necessity determinations.

Medical review criteria hierarchy

Medical review criteria must adhere to the following hierarchy and be reviewed in the order listed below:

- 1. Federal law** – All review criteria must comply with federal law (if the *Code of Federal Regulations* has any Medicaid-specific requirements, the IHCP must comply).
- 2. Indiana Code (IC)** – All review criteria must comply with Medicaid-specific provisions of the *Indiana Code*.
- 3. State plan** – Review criteria are subject to the terms of the state plan (which is the IHCP agreement with the Centers for Medicare & Medicaid Services [CMS] outlining the coverage and reimbursement of IHCP services).
- 4. Indiana Administrative Code (IAC)** – All review criteria must comply with Medicaid-specific provisions of the *Indiana Administrative Code* (which is given authority from the *Indiana Code*).
- 5. National clinical guidelines (InterQual or MCGs), MCE-developed PA-UM policy and criteria, IHCP policy**
 - ⇒ The MCE may choose to use either InterQual or MCG and may also customize those criteria.
 - ⇒ MCE-derived PA-UM policy and criteria must be submitted to the state for preapproval.
 - ⇒ The MCE may use IHCP policy and criteria.
 - ⇒ MCEs may still choose to use Medicare NCDs and LCDs, when clinically appropriate.

Medical review criteria hierarchy (Continued)

- ⇒ Professional society guidelines – Guided by published peer-reviewed literature (can supersede national and MCE-developed PA-UM policy and criteria if specifically called out to be used in the Scope of Work, such as the American Society of Addiction Medicine [ASAM]).
- ⇒ Professional references/Subject matter expert (SME) – Guided by published peer-reviewed literature.
- ⇒ Best standards of care – Guided by published peer-reviewed literature.

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