

Department:	Utilization Management	Original Approval:	10/14/2009
Policy No:	UM427	Last Approval:	01/02/2025
Policy Title:	Benefit Coverage Exceptions to Rule Policy		
Approved By:	Clinical Services Leadership Team		
Dependencies:	UM205 – Timeliness of Utilization Management Decision Making UM202 – Early and Periodic Screening, Diagnostic, and Treatment		

Purpose

This policy defines the management of an eligible Community Health Plan of Washington (CHPW) Medicaid member and/or Medicaid member’s provider request regarding an exception to rule under Medicaid line of business. Exception To Rule (ETR) is applicable to both Washington Apple Health Integrated Managed Care and Apple Health Expansion members.

Exception to Rule (ETR) means a request by the member or requesting provider to receive a non-covered health care service according to WAC 182-501-0160.

Policy

Healthcare Coverage – Exception To Rule (ETR)

An eligible Medicaid member and/or the Medicaid member's provider may request CHPW to pay for a non-covered healthcare service.

1. CHPW cannot approve an Exception to Rule if the requested service is excluded under state statute.
2. The request for an Exception to Rule must be made before the service is rendered.
3. The item or service(s) for which an exception is requested must be of a type and nature which falls within accepted standards and precepts of good medical practice.
4. All exception requests must represent cost-effective utilization of program funds as determined by CHPW.
5. If a denial was issued, then a request for an Exception to Rule must be submitted to CHPW in writing within ninety days of the written notification denying authorization for the non-covered service.
6. For CHPW to consider the exception to rule request:
 - a) The member and/or the member's healthcare provider must submit sufficient member-specific information and documentation to CHPW which demonstrate

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that the member's clinical condition is so different from the majority that there is no equally effective, less costly covered service or equipment that meets the member's need(s).

- b) The member's healthcare professional must certify that medical and/or behavioral health treatment are items of service which are covered under the member's medical assistance program, and which are indicated as appropriate for the treatment of the illness or condition, have been found to be:
 - i. Medically ineffective in the treatment of the member's condition; or
 - ii. Inappropriate for that specific member.

CHPW follows policy UM205 – Timeliness of Utilization Management Decision Making for organizational determinations.

Exclusion to ETR for WAH-IMC members only

Services that are not covered for WA Apple Health Integrated Managed Care members are reviewed for medical necessity under Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) requirements for members under age 21. If the service is medically necessary, it is approved. If not, it is denied for not meeting medical necessity, and appeal rights are provided. ETR does not apply to EPSDT members. ETR process is not to be applied to Excluded Services. Refer to UM202 policy.

Written Member Notification

CHPW sends written notification to the provider and the member:

1. Approving the exception to rule request;
2. Denying the exception to rule request; or
3. Requesting additional information

Evaluation, Approvals & Denials

CHPW Medical Director and/or Behavioral Health Medical Director or designee evaluates and considers requests on a case-by-case basis. CHPW Medical Director and/or Behavioral Health Medical Director has final authority to approve or deny all ETR requests.

Members do not have a right to a fair hearing on all ETR decisions. Members have the right to appeal regarding whether CHPW appropriately classified the service as non-covered at the same time a provider asks for an Exception to Rule.

List of Appendices

- A. Detailed Revision History

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Citations & References

CFR		
WAC	182-501-0160	
RCW		
LOB & Contract Citation	<input checked="" type="checkbox"/> WAHIMC <input type="checkbox"/> BHSO <input type="checkbox"/> Wraparound <input type="checkbox"/> SMAC <input type="checkbox"/> HH	IMC Section 11.7.5.2.10: If services are denied as non-covered, inform Enrollees how to access the Exception to Rule (ETR) process
	<input checked="" type="checkbox"/> AHE	AHE Section 11.7.1.4.3.10: If services are denied as non-covered, inform Enrollees how to access the Exception to Rule (ETR) process, AHE Section 17.1.35: For services that HCA determines are non-covered for Enrollees ages 20 and younger, the Contractor shall apply Exception to Rule (ETR) according to Section 16.
	<input type="checkbox"/> MA/DSNP	
	<input type="checkbox"/> CS	
Other Requirements		
NCQA Elements		
References		

Revision History

SME Review:	08/11/2009; 05/24/2010; 04/20/2011; 07/30/2012; 06/09/2013; 05/09/2014; 06/23/2015; 07/25/2016; 07/26/2016; 08/26/2016; 12/26/2017; 04/05/2018; 06/21/2018; 06/19/2019; 02/07/2020; 05/18/2020; 11/17/2020; 02/25/2020; 03/18/2022; 01/26/2023; 01/02/2024; 12/16/2024
Approval:	10/14/2009; 06/02/2010; 04/27/2011; 08/08/2012; 06/28/2013; 05/05/2014; 07/08/2015; 07/26/2016; 09/01/2016; 12/26/2017; 06/25/2018; 06/21/2019; 06/25/2020; 03/04/2021; 03/21/2022; 03/15/2023; 01/04/2024; 01/02/2025

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Appendix A: Detailed Revision History

Revision Date	Revision Description	Revision Made By
08/11/2009	Original	Verni Jogaratnam
10/14/2009	Approval	MMLT
05/24/2010	Revised	Verni Jogaratnam
06/02/2010	Approval	MMLT
04/20/2011	Revised	Verni Jogaratnam
04/27/2011	Approval	MMLT
07/30/2012	Reviewed	Lucy Sutphen, MD, FACP Georgette Cortel
08/08/2012	Approval	MMLT
06/09/2013	Reviewed policy – no changes	Jane Daughenbaugh
06/28/2013	Approval	MMLT
05/09/2014	Updated to consistently state ‘exception to rule’ vs. ‘exception to benefit’ to match WAC verbiage. Updated WAC reference numbers.	Justin Fowler
05/15/2014	Approval	MMLT
06/23/2015	Policy reviewed – no changes	Kelly Force; Jane Daughenbaugh
07/08/2015	Approval	MMLT
07/25/2016	Removed “Extension of Limitation” portion of this policy. New policy created for “Extension of Limitation”. Reformatted “Contract Citation” cell. Added “182” in front of -501-0160 in the “WAC” cell.	Cyndi Stilson
07/26/2016	Reviewed. No changes	Jane Daughenbaugh
07/26/2016	Approved	MMLT
08/26/2016	Members do have right to appeal regarding whether the MCO appropriately classified the service as non-covered. Changed footer tab to UM427 Exception to Rule	Cyndi Stilson, RN
09/01/2016	Approved	MMLT
12/26/2017	Reviewed, added that ETR must be requested prior to service being	Justin Fowler

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	rendered as stated in WAC 182-501-0160.	
12/26/2017	Approved	Patty Jones
04/05/2018	Updated references to timeliness to match HCA contract not WAC	Justin Fowler
06/21/2018	Minor editing	Drew Breuckman
06/25/2018	Approved	Patty Jones, RN, MBA
06/19/2019	Added UM202 in the policy Dependencies, added Exclusion to ETR. Removed citation to WAC 182-501-0169, this pertains to Limitation Extension	Yves Houghton, RN, BSN
06/21/2019	Approval	MMLT
02/07/2020	Updated citations and regulatory references	Yves Houghton, RN, BSN
05/18/2020	Added ETR definition as stated in WAH-IMC contract. Clarified that Medical Director and Behavioral Health Medical Director has the final authority to approve or deny ETR.	Yves Houghton, RN, BSN
06/20/2020	Approval	Ma'ata Hardman, RN, MBA, CCM
06/25/2020	Approval	CMO Cabinet
11/17/2020	Updated LOB and C&R	Yves Houghton, RN, BSN
02/25/2020	Specified ETR as applicable to Medicaid members	Yves Houghton, RN, BSN
03/03/2021	Approved	Ma'ata Hardman
03/04/2021	Approval	CMO Cabinet
03/18/2022	Specified MD and BHMD have final authority to make decision on All ETR, and members do not have right to fair hearing on All ETRs	Yves Houghton, RN, BSN
03/21/2022	Approval	Justin Fowler, RN MSN
03/21/2022	Approval	Ma'ata Hardman
03/21/2022	Approval	CMO Cabinet
01/26/2023	Under the Exclusion to ETR section, added "ETR process is not to be applied to Excluded Services, refer to UM202." Under the Evaluation, Approval & Denial section, added member can appeal if	Yves Houghton, RN, BSN

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	the request was classified as non-covered, at the same time, a provider may ask for an ETR.	
03/14/2023	Approval	Ma'ata Hardman
03/15/2023	Approval	Clinical Services Leadership Team
01/02/2024	Reviewed, no content changes	Yves Houghton, RN, BSN
01/03/2024	Approval	Ma'ata Hardman
01/04/2024	Approval	Clinical Services Leadership Team
12/16/2024	Under Policy section added ETR is applicable to both WAHIMC and AHE members. Updated Exclusion to ETR only applies to WAH-IMC population. Updated citations for WAH-IMC and AHE.	Yves Houghton, RN, BSN
12/29/2024	Approval	Ma'ata Hardman
01/02/2025	Approval	Clinical Services Leadership Team