**20:06:21:08.  "Medically necessary" defined.** When "medically necessary" is used as a condition to qualify for benefits, it may not be defined more restrictively than as requiring the certification of the insured's physician.

 If a policy does not have a prior hospitalization requirement, then the following definition of medical necessity may be used: Treatment that is appropriate and consistent with the diagnosed condition. This is treatment, that, in accordance with accepted medical standards, could not have been omitted without adversely affecting the patient's condition. This definition of medical necessity may not be used for policies which condition benefits on inability to perform ADLs or functional incapacity.

 **Source:** 16 SDR 208, effective June 3, 1990.

 **General Authority:** SDCL 58-4-1, 58-17B-4, 58-17B-15.

 **Law Implemented:** SDCL 58-17B-4.