Interestingly, I found the below Research Report summarizing a Connecticut court case and the definition of "medical necessity." Please see the link: http://www.cga.ct.gov/2007/rpt/2007-r-0055.htm for additional information, but the summary of findings states:

"Medically Necessary" or "Medical Necessity" shall mean health care services that a physician, exercising prudent clinical judgment, would provide to a patient for the purpose of preventing, evaluating, diagnosing or treating an illness, injury, disease or its symptoms, and that are: a) in accordance with generally accepted standards of medical practice; b) clinically appropriate, in terms of type, frequency, extent, site and duration, and considered effective for the patient's illness, injury or disease; and c) not primarily for the convenience of the patient, physician or other health care provider, and not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that patient's illness, injury or disease. For these purposes, "generally accepted standards of medical practice" means standards that are based on credible scientific evidence published in peer-reviewed medical literature generally recognized by the relevant medical community or otherwise consistent with the standards set forth in policy issues involving clinical judgment.

The Connecticut State Medical Society provided the above definition in flyers summarizing the settlements prepared by the American Medical Association (AMA) to the Insurance and Real Estate Committee at a December 1, 2006 committee meeting with physicians and managed care organizations, as required by Public Act 06-178.

The attached further states, "As used in a managed care contract, the term "medically necessary" means any health care service or procedure that a prudent practitioner of the healing arts, as defined in section 20-1, 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 (1) in accordance with generally accepted standards of care, (2) clinically appropriate in terms of type, frequency, extent, site and duration, (3) not primarily for the convenience of the patient, and (4) within the scope of practice of such practitioner.