

Hospital Services: Observation and Inpatient

Policy Number: 2022T0643A
Effective Date: December 1, 2022

[Instructions for Use](#)

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Related Policy
<ul style="list-style-type: none"> Elective Inpatient Services
Community Plan Policy
<ul style="list-style-type: none"> Hospital Services: Observation and Inpatient
Medicare Advantage Coverage Summary
<ul style="list-style-type: none"> Hospital Services (Outpatient, Observation, and Inpatient)

Coverage Rationale

UnitedHealthcare uses InterQual® as a source of medical evidence to support medical necessity and level of care decisions, when applicable. InterQual® criteria are intended to be used in connection with the independent professional medical judgment of a qualified health care provider and do not constitute the practice of medicine or medical advice.

Click [here](#) to view the InterQual® criteria.

Observation services are considered medically necessary for a member who requires the following care in any location within a hospital:

- Short-term monitoring that is expected to require at least 6 hours of assessment or treatment and improves significantly within 24-48 hours; and
- At least one of the following:
 - Acute treatment and reassessment; or
 - Event monitoring (e.g., cardiac dysrhythmia) or response to therapy (e.g., from drug ingestion) that may require immediate intervention; or
 - Diagnostic evaluation to establish a treatment plan.

An observation level of care is often used to manage the following clinical conditions and symptoms (list is not all-inclusive):

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| <ul style="list-style-type: none"> • Abdominal pain • Allergic reaction (generalized) • Altered mental status (confusion) • Anemia • Asthma • Atrial fibrillation • Back pain • Bronchiolitis • Bronchitis • Cellulitis • Chest pain | <ul style="list-style-type: none"> • Chronic obstructive pulmonary disease • Croup • Dehydration • Diabetes mellitus • Epistaxis • Febrile illness • Gastroenteritis • Heart failure • Hemoptysis • Migraine | <ul style="list-style-type: none"> • Pneumonia • Poisoning/toxic ingestions • Renal colic, kidney stone • Seizures • Syncope and collapse • Transient ischemic attack (TIA) • Urinary tract infection • Vaginal bleeding (non-obstetrical) • Weakness |
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If the member's condition does not improve within 48 hours, additional clinical information should be submitted to support an inpatient level of care.

Observation services are not medically necessary for the convenience of the hospital, physicians, members, or member's families, or while awaiting placement to another health care facility.

Note: The observation services portion of this policy does not apply to an obstetric member during pregnancy, childbirth, or the post-partum period.

References

Baugh CW, Graff L IV. Observation medicine and clinical decision units (overview). Rosen's Emergency Medicine. 9th ed. Philadelphia, PA: Elsevier; 2018.

InterQual[®] Level of Care (LOC): Acute Adult and Level of Care (LOC): Acute Pediatric.

Medicare Benefit Policy Manual. Chapter 6 -20.5-Outpatient Observation Services. Rev. 10541, 12-31-20.

Sun BC, McCreath H, Liang LJ, et al. Randomized clinical trial of an emergency department observation syncope protocol versus routine inpatient admission. Ann Emerg Med. 2014 Aug;64(2):167-75.

Wheatley MA, Ross MA. Care of Neurologic Conditions in an Observation Unit. Emerg Med Clin North Am. 2017 Aug;35(3):603-623.

Policy History/Revision Information

Date	Summary of Changes
12/01/2022	<ul style="list-style-type: none">New Medical Policy

Instructions for Use

This Medical Policy provides assistance in interpreting UnitedHealthcare standard benefit plans. When deciding coverage, the member specific benefit plan document must be referenced as the terms of the member specific benefit plan may differ from the standard plan. In the event of a conflict, the member specific benefit plan document governs. Before using this policy, please check the member specific benefit plan document and any applicable federal or state mandates. UnitedHealthcare reserves the right to modify its Policies and Guidelines as necessary. This Medical Policy is provided for informational purposes. It does not constitute medical advice.

This Medical Policy may also be applied to Medicare Advantage plans in certain instances. In the absence of a Medicare National Coverage Determination (NCD), Local Coverage Determination (LCD), or other Medicare coverage guidance, CMS allows a Medicare Advantage Organization (MAO) to create its own coverage determinations, using objective evidence-based rationale relying on authoritative evidence ([Medicare IOM Pub. No. 100-16, Ch. 4, §90.5](#)).

UnitedHealthcare may also use tools developed by third parties, such as the InterQual[®] criteria, to assist us in administering health benefits. UnitedHealthcare Medical Policies are intended to be used in connection with the independent professional medical judgment of a qualified health care provider and do not constitute the practice of medicine or medical advice.