

Hospital Services: Observation and Inpatient

Policy Number: CS356.A
Effective Date: December 1, 2022

[Instructions for Use](#)

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Related Policy
<ul style="list-style-type: none"> Elective Inpatient Services
Commercial 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)

Application

This Medical Policy only applies to Arizona, California, District of Columbia, Florida, Hawaii, Kansas, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New York, Rhode Island, Texas, Virginia, Washington, and Wisconsin.

Refer to the state-specific policy/guideline, if noted:

State	Policy/Guideline
Indiana	Hospital Services: Observation and Inpatient (for Indiana Only)
Kentucky	Hospital Services: Observation and Inpatient (for Kentucky Only)
Louisiana	Hospital Services: Observation and Inpatient (for Louisiana Only)
Mississippi	Hospital Services: Observation and Inpatient (for Mississippi Only)
Nebraska	Hospital Services: Observation and Inpatient (for Nebraska Only)
New Jersey	Hospital Services: Observation and Inpatient (for New Jersey Only)
North Carolina	Hospital Services: Observation and Inpatient (for North Carolina Only)
Ohio	Observation Services (for Ohio Only)
Pennsylvania	Hospital Services: Observation and Inpatient (for Pennsylvania Only)
Tennessee	Hospital Services: Observation and Inpatient (for Tennessee Only)

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):

- | | | |
|-------------------------------------|---|--------------------------------------|
| • Abdominal pain | • Chronic obstructive pulmonary disease | • Pneumonia |
| • Allergic reaction (generalized) | • Croup | • Poisoning/toxic ingestions |
| • Altered mental status (confusion) | • Dehydration | • Renal colic, kidney stone |
| • Anemia | • Diabetes mellitus | • Seizures |
| • Asthma | • Epistaxis | • Syncope and collapse |
| • Atrial fibrillation | • Febrile illness | • Transient ischemic attack (TIA) |
| • Back pain | • Gastroenteritis | • Urinary tract infection |
| • Bronchiolitis | • Heart failure | • Vaginal bleeding (non-obstetrical) |
| • Bronchitis | • Hemoptysis | • Weakness |
| • Cellulitis | • Migraine | |
| • Chest pain | | |

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
02/01/2023	<p>Application <i>Nebraska and North Carolina</i></p> <ul style="list-style-type: none"> • Updated reference link to state-specific policy version to reflect title change; previously titled <i>Observation Services</i> <p>Ohio</p> <ul style="list-style-type: none"> • Added language to indicate this policy does not apply to the state of Ohio; refer to the state-specific policy version

Date	Summary of Changes
01/19/2023	<p data-bbox="337 134 487 168">Application</p> <p data-bbox="337 170 922 203"><i>Indiana, Kentucky, Louisiana, and Tennessee</i></p> <ul data-bbox="337 205 1422 268" style="list-style-type: none"> <li data-bbox="337 205 1422 268">• Updated reference link to state-specific policy version to reflect title change; previously titled <i>Observation Services</i>
12/01/2022	<ul data-bbox="337 275 607 304" style="list-style-type: none"> <li data-bbox="337 275 607 304">• New Medical Policy

Instructions for Use

This Medical Policy provides assistance in interpreting UnitedHealthcare standard benefit plans. When deciding coverage, the federal, state or contractual requirements for benefit plan coverage must be referenced as the terms of the federal, state or contractual requirements for benefit plan coverage may differ from the standard benefit plan. In the event of a conflict, the federal, state or contractual requirements for benefit plan coverage govern. Before using this policy, please check the federal, state or contractual requirements for benefit plan coverage. 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.

UnitedHealthcare may also use tools developed by third parties, such as the InterQual[®] criteria, to assist us in administering health benefits. The 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.