

Observation Services

Guideline Number: CS201.E
Effective Date: July 1, 2022

[➔ Instructions for Use](#)

Table of Contents	Page
Application	1
Coverage Rationale	1
References	2
Guideline History/Revision Information	2
Instructions for Use	2

Commercial Policy
• Observation Services
Medicare Advantage Coverage Summary
• Observation Care (Outpatient Hospital)

Application

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

This Medical Policy does not apply to the states listed below; refer to the state-specific policy/guideline, if noted:

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

Coverage Rationale

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

- Short-term monitoring that is not expected to exceed 24 hours but would generally be no longer than 48 hours; and
- Acute treatment and reassessment are required; or
- Monitoring of an event (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

Observation services are considered medically necessary when they meet the criteria above and include one of the following conditions (list is not all-inclusive):

- | | | |
|-----------------------------------|-------------------------------------|-----------------|
| • Abdominal pain | • Altered mental status (confusion) | • Back pain |
| • Allergic reaction (generalized) | • Asthma | • Bronchiolitis |

- Bronchitis
- Cellulitis
- Chest pain
- Croup
- Dehydration
- Diabetes mellitus
- Epistaxis
- Febrile illness
- Gastroenteritis
- Hemoptysis
- Migraine
- Poisoning/Toxic ingestions
- Renal colic, kidney stone
- Seizures
- Syncope
- Transient ischemic attack (TIA)
- Urinary tract infection
- Vaginal bleeding (non-obstetrical)

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

Note: 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.

GINA Report, Global Strategy for Asthma Management and Prevention. 2021.

InterQual[®] 2022, Apr. 2022 Release, 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.

Southerland LT, Vargas AJ, Nagaraj L, et al. An emergency department observation unit is a feasible setting for multidisciplinary geriatric assessments in compliance with the Geriatric Emergency Department Guidelines. Academic Emergency Medicine 2018;25(1):76-82.

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.

Guideline History/Revision Information

Date	Summary of Changes
07/01/2022	Supporting Information <ul style="list-style-type: none"> • Updated <i>References</i> section to reflect the most current information • Archived previous policy version CS201.D

Instructions for Use

This Utilization Review Guideline 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 guideline, 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 Utilization Review Guideline 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 Utilization Review Guidelines 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.