

Observation Services (for Tennessee Only)

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Application

This Utilization Review Guideline only applies to Medicaid only plans in the state of Tennessee.

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
- Allergic reaction (generalized)
- Altered mental status (confusion)
- Asthma
- Back pain
- 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 obstetric conditions.

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. 2020.
- InterQual® Criteria 2021 Release. Level of Care Adult and Level of Care 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
08/01/2021	<ul style="list-style-type: none"> • New Utilization Review Guideline

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.