

# Hospital Services: Observation and Inpatient

Policy Number: ADMINISTRATIVE 297.1 T2  
Effective Date: December 1, 2022

[Instructions for Use](#)

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Related Policy
<ul style="list-style-type: none"> <li><a href="#">Elective Inpatient Services</a></li> </ul>

## 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: This policy does not apply to an obstetric member during pregnancy, childbirth, or the post-partum period.

## Prior Authorization Requirements

No referral or prior authorization is required for observation services. Prior authorization is required for inpatient care.

## References

The foregoing Oxford policy has been adapted from an existing UnitedHealthcare national policy that was researched, developed and approved by UnitedHealthcare Medical Technology Assessment Committee. [2022T0643A]

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

InterQual<sup>®</sup> 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"><li>New Clinical Policy</li></ul>

## Instructions for Use

This Clinical Policy provides assistance in interpreting UnitedHealthcare Oxford 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 Oxford reserves the right to modify its Policies as necessary. This Clinical Policy is provided for informational purposes. It does not constitute medical advice.

The term Oxford includes Oxford Health Plans, LLC and all of its subsidiaries as appropriate for these policies. Unless otherwise stated, Oxford policies do not apply to Medicare Advantage members.

UnitedHealthcare may also use tools developed by third parties, such as the InterQual<sup>®</sup> criteria, to assist us in administering health benefits. UnitedHealthcare Oxford Clinical 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.