

Hospital Services: Observation and Inpatient (for Kentucky Only)

Policy Number: CS356KY.02

Effective Date: December 1, 2023

[➔ Instructions for Use](#)

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Related Policy
<ul style="list-style-type: none"> Elective Inpatient Services (for Kentucky Only)

Application

This Medical Policy only applies to the state of Kentucky.

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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|-------------------------------------|---|------------------------------|
| • Abdominal pain | • Bronchitis | • Epistaxis |
| • Allergic reaction (generalized) | • Cellulitis | • Febrile illness |
| • Altered mental status (confusion) | • Chest pain | • Gastroenteritis |
| • Anemia | • Chronic obstructive pulmonary disease | • Heart failure |
| • Asthma | • Croup | • Hemoptysis |
| • Atrial fibrillation | • Dehydration | • Migraine |
| • Back pain | • Diabetes mellitus | • Pneumonia |
| • Bronchiolitis | | • Poisoning/toxic ingestions |

- Renal colic, kidney stone
- Seizures
- Syncope and collapse
- Transient ischemic attack (TIA)
- Urinary tract infection
- Vaginal bleeding (non-obstetrical)
- Weakness

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.

Coverage Limitations and Exclusions

Refer to the [Kentucky Administrative Regulations 907 KAR 010:012: Inpatient Hospital Coverage](#).

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.

Kentucky Administrative Regulations. Cabinet for Health and Family Services - Department for Medicaid Services. 907 KAR 010:012. Inpatient Hospital Coverage. Available at: <https://apps.legislature.ky.gov/law/kar/titles/907/010/012/>. Accessed July 20, 2023.

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

Policy History/Revision Information

Date	Summary of Changes
12/01/2023	<p>Supporting Information</p> <ul style="list-style-type: none"> • Updated <i>References</i> section to reflect the most current information • Archived previous policy version CS356KY.01

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 uses InterQual for the primary medical/surgical criteria, and the American Society of Addiction Medicine (ASAM) for substance use, in administering health benefits. If InterQual does not have applicable criteria, UnitedHealthcare may also use UnitedHealthcare Medical Policies, Coverage Determination Guidelines, or Utilization Review Guidelines that have been approved by the Kentucky Department for Medicaid Services. The UnitedHealthcare Medical Policies, Coverage Determination Guidelines, or 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.