

Hospital Services: Observation and Inpatient

Policy Number: CS356.B
Effective Date: December 1, 2023

[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

Application

This Medical Policy does not apply to the states listed below; 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)
New Mexico	Hospital Services: Observation and Inpatient (for New Mexico Only)
North Carolina	Hospital Services: Observation and Inpatient (for North Carolina Only)
Ohio	Hospital Services: Observation and Inpatient (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
- Allergic reaction (generalized)
- Altered mental status (confusion)
- Anemia
- Asthma
- Atrial fibrillation
- Back pain
- Bronchiolitis
- Bronchitis
- Cellulitis
- Chest pain
- Chronic obstructive pulmonary disease
- Croup
- Dehydration
- Diabetes mellitus
- Epistaxis
- Febrile illness
- Gastroenteritis
- Heart failure
- Hemoptysis
- Migraine
- Pneumonia
- 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.

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.

Policy History/Revision Information

Date	Summary of Changes
07/01/2024	<p>Application New Mexico</p> <ul style="list-style-type: none"> Added language to indicate this policy does not apply to the state of New Mexico; refer to the state-specific policy version
02/01/2024	<p>Application Ohio</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>
12/01/2023	<p>Application</p> <ul style="list-style-type: none"> Reformatted content; modified language to indicate this Medical Policy does not apply to the following states: <ul style="list-style-type: none"> Indiana Kentucky Louisiana Mississippi Nebraska New Jersey North Carolina Ohio Pennsylvania Tennessee <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 CS356.A

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.