

Hospital Services: Observation and Inpatient

Policy Number: ADMINISTRATIVE 297.3
Effective Date: November 1, 2024

[Instructions for Use](#)

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Related Policy
<ul style="list-style-type: none"> Elective Inpatient Services

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 for a condition 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 | • 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: The observation services portion of this policy does not apply to an obstetric member during pregnancy, childbirth, or the post-partum period.

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. [2024T0643E]

InterQual® Level of Care (LOC): Acute Adult and Level of Care (LOC): Acute Pediatric.

Observation medicine and clinical decision units (overview). Rosen's Emergency Medicine. 10th ed. Philadelphia, PA: Elsevier: June 13, 2022.

Policy History/Revision Information

Date	Summary of Changes
11/01/2024	<p data-bbox="337 497 613 527">Coverage Rationale</p> <ul data-bbox="337 533 1503 621" style="list-style-type: none"><li data-bbox="337 533 1503 621">• Added language to clarify observation services are medically necessary in any location within a hospital for short-term monitoring <i>for a condition</i> that is expected to require at least 6 hours of assessment or treatment and improves significantly within 24-48 hours <p data-bbox="337 630 662 659">Supporting Information</p> <ul data-bbox="337 665 1166 720" style="list-style-type: none"><li data-bbox="337 665 1166 695">• Updated <i>References</i> section to reflect the most current information<li data-bbox="337 701 1068 720">• Archived previous policy version ADMINISTRATIVE 297.2

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® 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.