

Hospital Services: Observation and Inpatient

Policy Number: 2025T0643G

Effective Date: May 1, 2025

[Instructions for Use](#)

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Related Commercial/Individual Exchange Policy

- [Elective Inpatient Services](#)

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Medicare Advantage Policy

- [Hospital, Emergency, and Ambulance Services](#)

Application

UnitedHealthcare Commercial

This Medical Policy applies to UnitedHealthcare Commercial benefit plans.

UnitedHealthcare Individual Exchange

This Medical Policy applies to Individual Exchange benefit plans.

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 improve 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 | • 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.

References

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
05/01/2025	<p>Template Update</p> <ul style="list-style-type: none">• Created shared policy version to support application to Rocky Mountain Health Plans membership <p>Application Individual Exchange</p> <ul style="list-style-type: none">• Removed language indicating this Medical Policy does not apply to the state of Colorado <p>Supporting Information</p> <ul style="list-style-type: none">• Archived previous policy version 2024T0643F

Instructions for Use

This Medical Policy provides assistance in interpreting UnitedHealthcare 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 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.

This Medical Policy may also be applied to Medicare Advantage plans in certain instances. In the absence of a Medicare National Coverage Determination (NCD), Local Coverage Determination (LCD), or other Medicare coverage guidance, CMS allows a Medicare Advantage Organization (MAO) to create its own coverage determinations, using objective evidence-based rationale relying on authoritative evidence ([Medicare IOM Pub. No. 100-16, Ch. 4, §90.5](#)).

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