POLICY AND PROCEDURE MANUAL

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PA.227.CC- Authorization for Observation vs. Inpatient Admission Level of Care

Summary

According to CMS, inpatient is defined as a person who has been admitted to a hospital for bed occupancy for purposes of receiving inpatient hospital services. Generally, a patient is considered an inpatient if formally admitted as inpatient with the expectation that he or she will remain at least overnight and occupy a bed even though it later develops that the patient can be discharged or transferred to another hospital and not actually use a hospital bed overnight. The admitting physician responsible for a patient's care at the hospital is also responsible for deciding whether the patient should be admitted as an inpatient.

According to CMS, Observation care is a well-defined set of specific, clinically appropriate services, which include ongoing short-term treatment, assessment, and reassessment, that are furnished while a decision is being made regarding whether patients will require further treatment as hospital inpatients or if they are able to be discharged from the hospital. Observation services are commonly ordered for patients who present to the emergency department and who then require a significant period of treatment or monitoring concerning their admission or discharge.

In most cases, the decision whether to discharge a patient from the hospital following resolution of the reason for the observation care or to admit the patient as an inpatient can be made in less than 48 hours, usually in less than 24 hours.

CountyCare considers Observation Stays medically necessary when:

- The patient is clinically unstable for discharge; And
- Continuous clinical monitoring, and/or laboratory, radiologic, or other testing is necessary to assess the patient’s need for hospitalization, overall severity and intensity of services needed, Or
- The treatment plan is not established or based upon the patient’s condition, is anticipated to be completed within a period not to exceed 48 hours, Or

- Changes in status or condition are anticipated and immediate medical intervention may be required.

Limitations

Observation services at INN facilities that extend beyond a 48-hour period are not covered without a prior authorization. Providers must contact the Utilization Management department and obtain approval for inpatient status for any services beyond the initial 48-hour period. Medical necessity must be established for conversion to inpatient status. Failure to obtain authorization may result in nonpayment.

The following is a sample list (not all inclusive) of services that are not considered appropriate for observation services:

- services that are not reasonable or necessary for the diagnosis or treatment of the patient
- outpatient blood or chemotherapy administration
- lack of/delay in patient transportation
- provision of a medical exam for patients who do not require skilled support
- routine preparation prior to and recovery after diagnostic testing
- routine recovery and post-operative care after ambulatory surgery
- when used as a substitute for inpatient admission
- when used for the convenience of the physician, patient, or patient's family
- while awaiting transfer to another facility
- when an overnight stay is planned prior to diagnostic testing
- custodial care
- standing orders following outpatient surgery
- services that would normally require inpatient stay
- observation following an uncomplicated treatment or procedure
- services provided concurrently with chemotherapy
- when used due to socio- economic or psycho-social factors

Diagnoses, condition or symptom for Policy Application (adults and peds)

System	Condition
Constitutional	• **Abdominal Pain** • **Back Pain** • **Dehydration** • **Failure to thrive** • **Febrile illness** • **General malaise** • **Hyperemesis (with or without pregnancy)** • **Nausea**

	• **Pain management** • **Sleep disorders** • **Syncope** • **Tenderness of any site (unspecified, abdomen, throat, chest, ocular etc.)** • **Volume depletion** • **Vomiting**
Eyes	• **Disorders of optic nerve and visual pathways** • **Disorder of orbit**
ENT	• **Acute tonsillitis** • **Dysphagia** • **Ear Pain** • **Ear Inflammation** • **Epiglottitis** • **Epistaxis** • **Laryngitis (acute)** • **Otitis external** • **Swimmers' ear**
Cardiovascular	• **Acute Coronary Syndrome (Acute MI)** • **Angina** • **Atherosclerotic heart disease** • **Chest Pain (including Precordial, Intercostal, unspecified)** • **Heart Failure** • **Hypertension, Hypertension crisis, Hypotension** • **Ischemic heart disease (acute or chronic)**
Respiratory	• **Abnormalities of breathing** • **Asthma** • **Bronchiectasis** • **Bronchitis (acute and chronic)** • **Bronchiolitis** • **Chronic Obstructive Pulmonary disease (COPD)** • **Cough** • **Croup** • **Difficulty Breathing** • **Dyspnea** • **Emphysema** • **Influenza** • **Interstitial lung disease** • **Mouth Breathing** • **Orthopnea**

	• **Periodic Breathing** • **Pneumonia** • **Pneumonitis** • **Sarcoidosis** • **SOB (Shortness of Breath)** • **Stridor** • **Tachypnea** • **Wheezing**
Gastrointestinal	• **Abscess of anal and rectal regions** • **Abdominal Hernia** • **Acute Appendicitis, unspecified appendicitis** • **Diaphragmatic hernia** • **Alcoholic liver disease** • **Ascites** • **Cirrhosis of liver** • **Cholelithiasis** • **Cholecystitis** • **Colitis (ulcerative)** • **Crohn's Disease** • **Diarrhea** • **Disease of anus and rectum** • **Disorders of fluid electrolyte and acid base balance** • **Diverticulitis** • **Diverticulosis** • **Duodenitis** • **Enteritis** • **Esophagitis** • **Esophageal disease** • **Fibrosis of liver** • **Functional Dyspepsia** • **Functional Intestinal disorders** • **Gallbladder/Bile duct infection or ductal stone** • **Gastroenteritis** • **GERD** • **GI bleeding** • **Hemorrhoids** • **Hepatic Failure** • **Hernia** • **Inguinal hernia** • **Intestinal Infection (including Salmonella Infections)** • **Jaundice in adults (unspecified)**

	• **Other diseases of liver, stomach, and Duodenum** • **Pancreatitis (acute)** • **Perianal venous thrombosis** • **Peptic ulcer disease** • **Umbilical hernia** • **Jaundice in adults**
Genitourinary	• **Calculus of kidney and ureter** • **Chronic Kidney Disease and End Stage Renal Disease** • **Cystitis** • **Disorders of penis** • **Disorders of urinary system** • **Dysuria** • **Epididymitis** • **Hematuria** • **Hydronephrosis** • **Incontinence** • **Kidney Stones** • **Nephritis** • **Nephrotic syndrome** • **Obstructive and reflex uropathy** • **Orchitis** • **Prostate disorders** • **Pyelonephritis** • **Renal Colic** • **Retention of urine** • **UTI (Urinary tract infection) both pregnant and non-pregnant women, personal history of UTI** • **UTI unspecified** • **Urosepsis** • **Vaginal bleeding**
Musculoskeletal	• **Cervical disc Disorders** • **Fatigue (of any area- leg, arm, generalized, facial muscle etc.)** • **Fracture of ribs, forearm, femur, lower leg including ankle** • **Gait and mobility abnormalities** • **Kyphosis** • **Lack of coordination** • **Spondylosis** • **Synovitis** • **Tenosynovitis**

	• Thoracic disorders
Integumentary	• Abscess • Cellulitis • Dermatitis • Erythematous conditions of skin • Localized swelling, mass, and lump of skin • Non pressure chronic ulcers • Pressure Ulcers • Other skin changes • Rash • Urticaria
Neurologic	• Altered Mental Status • Amnesia • Aphasia • Asthenia • Concussion (mild) • Convulsions • Disorientation • Dizziness • Encephalopathy • Encephalomyelitis • Disorders of the brain • Epilepsy • Giddiness • Headaches • Migraines (intractable, non-retractable, unspecified, vascular, etc.) • Seizures • Traumatic Brain Injury • Transient Alteration of Awareness • Transient Ischemic Attack • Weakness
Psychiatric	• Cocaine related disorders • Drug overdose, caustic, or poison ingestion • Opioid Related Disorders • Other anxiety disorders in med surg bed • Other psychoactive, substance disorders
Endocrine	• Diabetes Mellitus • Type II DM • Diabetic Ketoacidosis or any type • Hypoglycemia

	• **Hyperglycemia** • **Ketoacidosis** • **Hyperosmolarity**
Hematological	• **Anemia** • **Bleeding** • **HB SS Disease with or without crisis** • **Iron deficiency anemia** • **Red blood cell disorders** • **Sickle cell anemia with or without crisis** • **Sickle cell thalassemia with or without crisis** • **Sickle cell thalassemia beta plus with or without crisis** • **Unspecified Anemia**
Reproductive	• **Abnormal uterine bleeding** • **Breast Disorders** • **Endometriosis** • **Excessive vomiting in pregnancy** • **Female genital prolapse** • **Inflammation of Vagina and vulva** • **Inflammatory disorders of the breast** • **Noninflammatory disorder of ovary, fallopian, and broad ligament** • **Oophoritis** • **Pelvic Inflammatory Disease** • **Salpingitis**

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Revision History:

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Disclaimer:
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