UPDATED

Observation vs. Inpatient Level of Care
Utilization Review Policy Changes, Effective July 20, 2022

CountyCare's prior authorization requirements ensure that all requested services are both medically necessary and are conducted in an optimal clinical setting. CountyCare will be implementing two new changes to their utilization review processes focusing on services that do not require an inpatient admission and includes:

1. **PA.227.CC**: Authorization for Observation vs. Inpatient Admission Level of Care relates to Emergency Admissions that can be managed in an observation setting. This is an expansion of the existing policy diagnoses.
2. **PA.248.CC Site of Service Policy:** Relates to outpatient procedures that can be performed in an outpatient or ambulatory surgery setting.

The revised policies are available for review here.

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

This policy includes the review of inpatient admissions that would qualify for an observation stay. The purpose of observation is to determine the need for further treatment or monitoring that could possibly lead to an acute inpatient admission. CountyCare considers observation stays in the following situations (not all-inclusive):

- Patient has a condition/diagnosis that could be managed in an observation setting (See Diagnosis List here)
- 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

Utilization Review Process:

- The severity of illness and intensity of service requiring inpatient level of care will be assessed based on clinical documentation provided
- If criterion is not met for inpatient level of care, the provider will be notified and afforded the opportunity to either withdraw the inpatient request or provide additional information to justify an inpatient stay
- If the provider agrees to observation, the provider can submit the claims for payment through normal claim submission process
- If the provider does not agree, the request will go through the standard utilization review process and will include medical director review
- All adverse determinations offer appeal rights
- A Peer-to-Peer may be requested for any adverse determination if requested within 2 business after determination

PA.248.CC Site of Service Policy

This policy defines the process CountyCare will use to evaluate requests for outpatient procedures that can be performed in an outpatient setting. A select list of procedure codes have been identified that will no longer require prior authorization if performed in the outpatient setting. The procedure code list may be found here.

The medical necessity of the procedure and place where it will be provided will be reviewed against this policy. CountyCare considers a procedure appropriate for outpatient setting in the following situations (not all inclusive):

- The patient is considered in overall good health without major and/or active comorbidities
- Patient has a good support at home with a conducive home setting to post-operative recovery
- BMI standards less than 40 and a non-smoker
- Low risk for complications
- The member is expected to be discharged 48 hours or less
- The member falls within ASA level I or Level II in the ASA Physical Status Classification chart

Utilization Review Process:

- The severity of illness and intensity of service requiring inpatient level of care will be assessed based on clinical documentation provided
- If criterion is not met for inpatient level of care, the provider will be notified and afforded the opportunity to either withdraw the inpatient request or provide additional information to justify an inpatient stay and is subject to the standard utilization review process
- If the provider agrees to performing in an outpatient setting, he/she can submit the claims for payment through the normal claim submission process
- If the provider does not agree, the request will go through the standard utilization review process and will include medical director review
- All adverse determinations offer appeal rights
- A Peer-to-Peer may be requested for any adverse determination if requested within 2 business after determination

Special Instructions: Please note when reviewing the procedure code list in the link, that some codes may be managed by New Century Health (NCH). If there is an asterisk (*) beside the code, prior authorization (PA) is required through NCH Portal or call 888-999-7713. This includes the following specialties:

- Cardiology Specialty which includes:
  - Internal Medicine- cardiovascular disease
  - internal medicine, Advanced Heart Failure and transplant cardiology
  - Internal Medicine-Clinical Cardiac Electrophysiology
  - Internal Medicine-pulmonary disease
  - Nuclear Medicine- Nuclear Cardiology
  - Vascular and interventional cardiology
- Oncology and Radiation Oncology
- Surgery: Vascular, Cardiothoracic, Cardiovascular and Thoracic

- Radiology: (Body Imaging, Diagnostic Neuroimaging, Neuroradiology, Nuclear Radiology, Diagnostic Radiology, Diagnostic Ultrasound)

Any of the following providers working under the jurisdiction of or acting on behalf of one of the above specialists must follow the special instructions:

- Clinic Specialty: any provider (Clinic/Center – Multi-Specialty, Clinic/Center-Radiology)
- Internal Medicine or Family Medicine
- Physician Assistant, Nurse Practitioner working in an acute, adult health family medicine Physician Assistant Specialty: (Physician Assistant, Medical)

This policy is intended to provide guidance for in-network facilities. All out-of-network requests are subject to prior authorization, along with Medical Director's review, and may be redirected to an In-network facility.

Contact Us

Thank you for working with us to ensure that CountyCare members receive quality care at the right time and in the right setting. If you have any questions or would like additional information, please contact CountyCare Provider Services at **ProviderServices@countycare.com** or your Provider Relations Representative.