

Hospital Services: Observation and Inpatient (for Tennessee Only)

Policy Number: CS356TN.D
Effective Date: December 1, 2025

[➔ Instructions for Use](#)

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Related Policy
<ul style="list-style-type: none"> Elective Inpatient Services (for Tennessee Only)

Application

This Medical Policy applies to Medicaid and CoverKids in the state of Tennessee.

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.](#)

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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| <ul style="list-style-type: none"> Abdominal pain Allergic reaction (generalized) Altered mental status (confusion) Anemia Asthma Atrial fibrillation Back pain Bronchiolitis Bronchitis Cellulitis Chest pain | <ul style="list-style-type: none"> Chronic obstructive pulmonary disease Croup Dehydration Diabetes mellitus Epistaxis Febrile illness Gastroenteritis Heart failure Hemoptysis Migraine | <ul style="list-style-type: none"> 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 individual'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, individuals, or individuals' 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
12/01/2025	<p data-bbox="337 411 613 443">Coverage Rationale</p> <ul data-bbox="337 447 1479 716" style="list-style-type: none"><li data-bbox="337 447 1479 506">• Removed language indicating observation services are considered medically necessary for a member who requires the following care in any location within a hospital:<ul data-bbox="386 510 1479 716" style="list-style-type: none"><li data-bbox="386 510 1479 569">○ 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<li data-bbox="386 573 1479 716">○ At least one of the following:<ul data-bbox="435 594 1479 716" style="list-style-type: none"><li data-bbox="435 594 1479 625">▪ Acute treatment and reassessment<li data-bbox="435 627 1479 686">▪ Event monitoring (e.g., cardiac dysrhythmia) or response to therapy (e.g., from drug ingestion) that may require immediate intervention<li data-bbox="435 688 1479 716">▪ Diagnostic evaluation to establish a treatment plan <p data-bbox="337 720 662 751">Supporting Information</p> <ul data-bbox="337 756 917 787" style="list-style-type: none"><li data-bbox="337 756 917 787">• Archived previous policy version CS356TN.C

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. 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.