LOUISIANA STATE UNIVERSITY HEALTH SCIENCES CENTER - SHREVEPORT

OBSERVATION BED POLICY

Purpose: The purpose of observation beds is to provide facilities for those patients who require a period of observation to determine the need for further treatment or a possible admission to the hospital as an inpatient.

Definition: Observation stays are generally twenty-four (24) hours or less. The time period begins when the patient enters the Observation Bed and ends when the Physician’s order to end the status is written. Such services may exceed twenty-four (24) hours only under extenuating circumstances, for which medical and safety issues prohibit release of the patient. Social issues, patient convenience, and transportation problems do not justify payment for observation services. Admission to observation status must be ordered by a physician (or other individual with privileges to admit and order outpatient tests). The rationale for admission to OBS must be clearly documented in the medical record. Observation status may NOT be used when a patient meets an acute level of care in accordance with the Hospital’s admission criteria.

Policy:

Criteria for Observation Status:

1. Patients not meeting inpatient admission criteria but are exhibiting clinical signs/symptoms that would justify admission if they worsen or fail to resolve.

2. Patients not meeting admission criteria but develop a complication as a result of an outpatient procedure which makes it medically necessary to monitor the patient’s condition for possible admission beyond the typical 4-6 hours post-procedure recovery period.

3. Standing orders for observation following outpatient surgery are not permitted.

NOTE: Patients that are to undergo a procedure that should only be done as an inpatient procedure are NOT to be placed into Observation Status at any time during their stay.
4. The following patient unit/diagnosis SHOULD NOT be placed in observation status:

   A. Special Care units (BICU, MICU, NICU, PICU, SICU)
   B. Head injury with loss of consciousness and frequent monitoring of neurological and vital signs
   C. Suicide attempts
   D. Delirium tremors
   E. Respiratory isolation
   F. Patients scheduled for an invasive procedure that should only be done on an inpatient basis.
   G. Patients scheduled for procedures requiring pre-procedure preparation (but these may be placed into Observation Status following the procedure if medically necessary)

5. Patients with the following obstetrical diagnoses may be admitted as an observation Labor and Delivery patient (LDO). This list is not inclusive:

   A. Check for active labor
   B. Decreased fetal movement
   C. Abdominal trauma during pregnancy

6. Patients receiving intravenous services that last overnight or longer should be admitted as an inpatient. Observation should not be billed concurrently with therapeutic services such as chemotherapy.

GUIDELINES/GENERAL COMMENTS

1. No observation admissions for patients requiring an acute level of care (those meeting the Hospital’s admission criteria).

2. There must be a written order for observation status. In addition, the Admission Approval form must be checked off in the “Observation” box so the patient may be placed in observation status. Also, there must be documentation in the medical record addressing why the patient is in observation, and the treatment plan to be administered. All one-day stay admissions require review and approval of case manager prior to billing.

3. If the patient’s stay is longer than 23 hours, the record must reflect the extenuating circumstances that caused the discharge delay. Any observation stay greater than 24 hours for reasons that do not meet the definition of “extenuating circumstances” shall be referred to the Utilization Review Committee.
4. If at any point during observation status a patient meets acute level of care criteria, observation status must end immediately and the patient should be admitted.

5. If the patient’s status is changed to inpatient, the physician must write an admit order and document the specific reason(s) for admission.

6. An inpatient admission can NEVER be changed to observation status.

7. Patients admitted for observation receive care according to the same hospital standards, policies and procedures as inpatients.

8. Observation is not to be used as a substitution for outpatient care.

9. Patients on observation status must not be allowed to leave the hospital on pass.

10. Observation beds status may not be used to place patients in house overnight, who are scheduled for in-patient surgery the next day, but have no place else to stay.

11. All exclusions for reimbursement for Observation Status are based upon Centers for Medicare and Medicaid Services (CMS) and other third party payer guidelines.

Administrator

Date

Approved by Clinical Board: 9/19/00, 12/17/02

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