

October 16, 2017

AETNA BETTER HEALTH® OF PENNSYLVANIA UPDATED 10/16/2017 - Observation bed claim submission

PLEASE READ: Observation bed services and submitting claims

Dear Aetna Better Health Provider,

Observation services are those reasonable and necessary services provided on a hospital's premises for the purpose of evaluating the condition of a patient to determine whether he/she should be admitted for more intensive inpatient care, discharged, or transferred to another facility.

Observation services are by definition outpatient services. In accordance with CMS Pub 100-04, the following are required when billing observation:

- Observation time must be documented in the medical record.
- Hospital billing for observation services begins at the clock time documented in the patient's medical record, which coincides with the time that observation services are initiated in accordance with a physician's order for observation services.
- The time receiving observation services (and hospital billing) ends when all clinical or medical interventions have been completed, including follow-up care furnished by hospital staff and physicians that may take place after a physician has ordered the patient be released or admitted as an inpatient.
- The number of units reported must equal or exceed 8 hours.

Effective **9/1/2015**, in order to be adherent with CMS guidelines, the above criteria must be met to consider observation services for separate payment. **Please make sure to include the appropriate CPT/HCPCS code and number of hours/units when billing.**

Observation bed status is not appropriate for:

- Stays exceeding 48 hours in length
- Elective or non-emergent preoperative care
- Routine outpatient diagnostic testing
- Patients that meet medical necessity criteria for acute level of care
- Outpatient surgery with postoperative medical complications that meet Aetna Better Health's admission criteria
- Outpatient surgery and outpatient diagnostic services that require routine recovery
- Patients who meet medical necessity guidelines for Intensive Care Unit/Critical Care Unit

If you have any questions, call our Provider Relations department at **1-866-638-1232** or your Provider Relations representative.

Sincerely,

Bernard Lewin, M.D.
Chief Medical Officer
Aetna Better Health of Pennsylvania