



Hoosier Alliance

Hoosier Alliance Is An AmeriHealth Mercy Company

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Psychiatric Observation Services

The Centers for Medicare & Medicaid Services and Indiana Health Coverage Programs (IHCP) recognize psychiatric observation services. Observation care is a well-defined set of specific, clinically appropriate services, which include ongoing short-term treatment, assessment and reassessment before a decision can be made regarding whether a patient will require further inpatient hospital treatment or if the patient's acute psychiatric and/or substance abuse symptoms can be stabilized so the patient can be safely discharged from the hospital.

Observation services are commonly ordered for patients who present to the emergency room with acute psychiatric symptoms and who then require a period of treatment or monitoring in order to make a decision concerning their admission or discharge. In the majority of cases, the decision whether to discharge or admit the patient can be made in less than 48 hours. In some cases, observation services span more than 48 hours.

Per IHCP Banner BR200028, IHCP, "covers observation stays in acute care hospitals and freestanding psychiatric (including chemical dependency) hospitals. IHCP members may qualify for observation status under the following circumstances:

1. The criteria for inpatient admission have not been met; and
2. The treating physician or mental health provider has determined that allowing the member to leave the facility would likely put the member at serious risk.

"The observation period must last no more than three days (72 hours). If the member meets the criteria for inpatient admission prior to the end of the observation period, the member's status may be changed to inpatient at that time."

Criteria for Psychiatric Observation

Both of the following must be met:

1. Presenting symptoms (all of the below)
 - a. Are beyond the scope for OP
 - b. Are expected to be short term
 - c. Require diagnostic evaluation and/or acute short-term treatment and/or continuous monitoring



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2. Behavioral health issues requiring further evaluation (one of the below)
 - a. Suicidality
 - b. Danger to self (i.e., self-mutilating)
 - c. Danger to others (i.e., assaultive, homicidal)
 - d. Incapacitated due to psychiatric symptoms
 - e. Experiencing withdrawal
 - f. Intoxicated

Services that should be provided while the patient is in observation:

- A trauma-informed mental health assessment beginning with a face-to-face, initial diagnostic interview and continuing with an emergency psychiatric observational level of care during a period of less than 24 hours
- Substance use/abuse screening
- Medical screening/nursing assessment conducted by a registered nurse
- Discharge plan that places an emphasis on crisis intervention and referral for relapse prevention and other services developed under the direction of a physician (psychiatrist preferred) at admission
- Medication evaluation and management
- Access to a higher level of care, if medically necessary

Discharge criteria:

- Acute symptoms are resolved or adequately improved
- Non-acute care setting clinically indicated