


Name of Policy: Observation Service Policy Number: 3364-100-01-10 Approving Officer: Chief Executive Officer, Chief Medical Officer, Chief of Staff Responsible Agent: Administrative Director, Outcome Management Scope: University of Toledo Medical Center		 Effective date: 7/2025 Original effective date: 4/14/1993	
Key words: Observation Service, Patient, Condition, Evaluation, Assessment			
<input type="checkbox"/>	New policy proposal	<input checked="" type="checkbox"/>	Minor/technical revision of existing policy
<input type="checkbox"/>	Major revision of existing policy	<input type="checkbox"/>	Reaffirmation of existing policy

(A) Policy Statement

Observation services are those services that include use of a bed and periodic monitoring by nursing and medical staff that are reasonable and necessary to evaluate a patient's condition and/or to determine the need for possible inpatient admission or discharge.

(B) Purpose of Policy

The purpose of observation service is to determine the need for further treatment/assessment for possible inpatient admission or for appropriateness of discharge. Observation should provide a higher level of care than a clinic setting or home care; but is not considered an actual hospital admission. Observation service may be initiated in any procedure area for complications arising from scheduled surgeries and procedures.

(C) Procedure

Physician

1. There must be a written physician order for observation services. This order must specify "place in observation services for monitoring of" The patient must meet InterQual criteria for observation status.
2. The physician should re-evaluate the patient within 24 hours to determine whether to discharge the patient or admit as an inpatient, if InterQual criteria for inpatient admission are met.
3. Consultations should be completed as soon as possible since the decision to admit, or discharge must be made following the consultation.
4. Services not appropriate for observation status include:
 - a. Routine monitoring during the standard post-operative or post-procedural recovery period up to 6 hours.
 - b. Conditions that meet -CMS's "inpatient only" designation.
 - c. Basic outpatient procedure (BOP) patients requiring recovery greater than 6 hours who do not meet criteria for observation or admission.

5. The medical record must include a dated and timed order for observation services, followed by an order for discharge or inpatient admission, history and physical and disposition note.

Nursing

1. Documentation must include the monitoring and observations as prescribed by the physician.
2. If the physician decides to admit the patient to inpatient, the physician or designee must enter an order into the Electronic Medical Record to change the status of a patient from Observation to Inpatient.

<p>Approved by:</p> <p>/s/</p> <hr/> <p>Daniel Barbee Chief Executive Officer</p> <p>7/21/2025</p> <hr/> <p>Date</p> <p>/s/</p> <hr/> <p>Michael Ellis, MD Chief Medical Officer</p> <p>7/31/2025</p> <hr/> <p>Date</p> <p>/s/</p> <hr/> <p>Puneet Sindhwani, MD Chief of Staff</p> <p>7/29/2025</p> <hr/> <p>Date</p> <p><i>Review/Revision Completed by: Administrative Director, Outcome Management</i></p>	<p>Policies Superseded by This Policy:</p> <ul style="list-style-type: none">• 7-01-10 – <i>Observation Service</i> <p>Initial effective date: 4/14/1993</p> <p>Review/Revision Date:</p> <p>9/11/1996 2/10/1999 1/10/2001 4/11/2001 11/13/2002 3/8/2006 7/11/2007 9/9/2010 3/1/2017 4/1/2020 6/1/2021 7/2025</p> <p>Next review date: 7/2028</p>
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