

 Aetna Better Health of Kentucky 9900 Corporate Campus Drive Suite 100 Louisville, KY 40223	Date	3/07/2023
	To	All Network Providers
	From	Provider Experience
	Subject	Observation less than 8 hours
	Document number	Aetna-1351

This notice addresses submission and coverage for observation care services. Effective April 15, 2023 ABH KY will begin following the eight-hour minimum rule for observation status pertaining to same-date admission and discharge only. While this rarely happens, if a member is admitted to observation status and is discharged in fewer than eight hours those charges will be considered incidental.

Codes 99221-99223, 99231-99233, and 99238-99239 are used to report the initial or subsequent evaluation and management of a patient in observation care per day. Revenue code 0762, Specialty Services; Observation hours is reported with the number of hours spent in observation care furnished by a hospital on the hospital's premises. Observation care includes the use of a bed and periodic monitoring by a hospital's nursing staff, which are reasonable and necessary to evaluate an outpatient's condition or determine the need for possible admission to the hospital as an inpatient

Observation Care, billed under revenue code 0762, normally does not extend beyond 24 hours. However, claims for observation services over 24 hours will be allowed up to 48 hours. Observation services with less than 8 hours of time will be denied. Aetna Better Health of KY considers hospital stays 8 hours or less as included in the primary procedure, such as the emergency room or labor & delivery charges.

Observation stays do not require prior authorization* for PAR providers. Please review observation stays in section five of the [Aetna Better Health of Kentucky Provider Manual](#) published on our website.

If observation services result in an inpatient admission, notification must be made within 24 hours or next business day.

*The term Prior Authorization (PA) is the utilization review process used to determine whether the requested service, procedure, prescription drug or medical device meets the company's clinical criteria for coverage.

Questions?

Simply contact your Network Relations Manager. The listing can be found on our website.