

Subject: Outpatient Surgery – Site of Service**Medical Policy #: 64.0****Status: New****Original Effective Date: 10-14-2026****Last Review Date: N/A**

Disclaimer

Refer to the member's specific benefit plan and Schedule of Benefits to determine coverage. This may not be a benefit on all plans or the plan may have broader or more limited benefits than those listed in this Medical Policy.

Description

This policy establishes medical necessity criteria for approving an inpatient or outpatient hospital setting when a selected elective outpatient surgical procedure would otherwise be expected to occur in a lower-acuity setting, such as an ambulatory surgical center (ASC) or outpatient hospital. The policy supports safe and clinically appropriate decisions based on the member's individual condition and the capabilities of the available setting.

Site of service refers to the location where a procedure is performed. For this policy, a lower-acuity setting includes an ASC or outpatient hospital.

Definitions and Abbreviations:

- **ASA:** American Society of Anesthesiologists Physical Status Classification System.
- **BMI:** Body mass index.
- **FEV1:** Forced expiratory volume in one second.
- **MELD:** Model for End-Stage Liver Disease.

Prior Authorization

Prior Authorization is required for Medicaid line of business.

Prior authorization is required for designated procedures when requested in an inpatient hospital or hospital outpatient setting for the **Medicaid** lines of business. Refer to the current PHP prior authorization grid and member-specific benefit documents.

Logon to Pres Online to submit a request: (<https://www.phs.org/providers/authorizations/Pages/default.aspx>)

Table A		
Service	Prior Authorization Requirements	Codes
Specific Services Done in a Hospital Outpatient setting	Authorization is only required if the procedure is done in an Outpatient Hospital Setting. Authorization is not required when the procedure is performed in a lower-acuity setting.	29827, 29881, 29888, 30140, 43235, 43239, 45378, 45380, 45385, 49650, 52356, 58558, 58563, 58661, 58662

Table B		
Service	Prior Authorization Requirements	Codes
Specific Services Done in a Hospital Inpatient Setting	Authorization is only required if the procedure is done in an Inpatient Hospital Setting. Authorization is not required when the procedure is performed in a lower-acuity setting.	10061, 20680, 24579, 31624, 31641, 43281, 43282, 44970, 47563, 50543, 52332

Coverage Determination

Certain planned surgical procedures performed in a hospital outpatient setting (See Table A) or Hospital inpatient setting (See Table B) may be considered medically necessary when the member's individual clinical circumstances support the need for the higher-acuity setting. Clinical documentation must demonstrate that the member meets one or more of the following criteria and explains why the procedure cannot be safely performed in a lower acuity setting. Meeting one or more criteria does not guarantee coverage; the requested setting remains subject to individualized medical necessity review, benefit limitations, and applicable regulations.

American Society of Anesthesiologists classification:

- ASA Physical Status classification III or higher³.

Danger of airway compromise:

- History of obstructive sleep apnea or stridor.
- Dysmorphic facial features, such as Pierre-Robin syndrome or Down syndrome.
- Oral abnormalities, such as an adult mouth opening of less than 3 cm, protruding incisors, high-arched palate, macroglossia, tonsillar hypertrophy, or a non-visible uvula.
- Neck abnormalities, such as obesity involving the neck and facial structures, short neck, limited neck extension, spinal cord instability, adult hyoid-mental distance less than 3 cm, neck mass, cervical spine disease or trauma, cranial nerve IX or X disorders, tracheal deviation, or advanced rheumatoid arthritis.
- Jaw abnormalities, such as micrognathia, retrognathia, trismus, or significant malocclusion.

Morbid obesity:

- BMI ≥ 35 kg/m², (or BMI ≥ 32.5 kg/m² – 37.4 kg/m² in individuals of Asian descent) with comorbidities or BMI 40 kg/m or greater; (or BMI ≥ 37.5 kg/m² in individuals of Asian descent)⁴.

Pregnancy:

Pediatric age less than 18 years old:

Prolonged surgery:

- Anticipated surgical duration greater than three hours.

Metabolic, hepatic, or renal compromise:

- Advanced liver disease with MELD score greater than (8)⁶.
- Poorly controlled diabetes with hemoglobin A1C greater than 7%.
- End-stage renal disease with serum potassium greater than 5.0 mmol/L, or regularly scheduled peritoneal dialysis or hemodialysis.

Active substance use-related disorder:

- Alcohol dependence with risk for withdrawal syndrome.
- Current high-dose opioid use with increased risk for anesthesia complications.

High-risk cardiac status:

- Myocardial infarction within 90 days before the planned procedure.
- Ongoing evidence of myocardial ischemia.
- Significant heart valve disease.
- Symptomatic cardiac arrhythmia despite medication.
- Hypertension is resistant to the concurrent use of three or more prescription medications.
- Decompensated chronic heart failure, New York Heart Association class III or IV.

Coronary artery disease or peripheral vascular disease:

- Ongoing cardiac ischemia requiring medical management.
- Drug-eluting or bare-metal stent placed within 365 days before the planned procedure.
- Angioplasty within 90 days before the planned procedure.
- Active use of acetylsalicylic acid (aspirin) or prescription anticoagulants.

Neurological or neuromuscular condition:

- Cerebrovascular accident or transient ischemic attack within 90 days of the planned procedure.
- Uncontrolled epilepsy.
- Cerebral palsy.
- Multiple sclerosis.
- Amyotrophic lateral sclerosis.
- Traumatic brain injury with significant cognitive or behavioral issues.
- Muscular dystrophy.

Respiratory or breathing-related condition:

- Moderate to severe obstructive sleep apnea⁵.
- Unstable respiratory status, including poorly controlled asthma with FEV1 less than 80% despite medical management; COPD with FEV1 less than 50%; or ventilator dependence, including in a member with quadriplegia or paraplegia.

Hematologic condition:

- Bleeding disorder requiring replacement factor, blood products, or special infusion products to correct a coagulation defect, excluding DDAVP.
- Thrombocytopenia (platelet count less than 100,000/microL)⁷.
- Anticipated need for autologous or allogeneic blood transfusion or blood products, such as platelets.
- Sickle cell disease.
- History of disseminated intravascular coagulation.

Anesthesia or sedation complication:

- Personal or family history of an anesthesia or sedation complication, including malignant hyperthermia.

Solid organ transplant:

- History of solid organ transplant requiring ongoing high-dose and/or multiple anti-rejection medications.

Other severe or unstable condition:

- Other unstable or severe systemic disease, intellectual disability, or mental health condition that is best managed in a hospital outpatient setting.

Access/capability Exceptions:

A **planned** surgical procedure performed in a hospital outpatient department is considered medically necessary when there is no geographically accessible contracted ASC that can safely and appropriately provide the service for members. When members that reside in a rural or frontier area and/or the available ASC does not provide the requested procedure, specialty services, equipment, staffing, clinical capabilities, or the treating surgeon does not have privileges at a geographically accessible contracted ASC.

Medical Necessity Documentation Requirements

- History and physical examination findings relevant to the requested setting.
- Pertinent laboratory, diagnostic, specialist, anesthesia, and medication information.
- Planned procedure and anticipated duration.
- Planned anesthesia or sedation type.
- Clinical rationale explaining why an ASC or hospital outpatient is not appropriate.
- Description of monitoring, equipment, staffing, blood products, or emergency resources required.

Limitations and Exclusions

- This policy addresses the medical necessity of the requested site of service and does not independently establish medical necessity for the surgical procedure itself.
- Emergency services are not governed by this policy.
- Coverage remains subject to eligibility, benefits, exclusions, network requirements, prior authorization rules, and applicable state and federal requirements.
- A preference for a specific setting, does not establish medical necessity.

Coding

See Table A and Table B above for codes.

Reviewed by / Approval Signatures

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Date Approved: 11-18-2026

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References

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Publication History

- 10-14-26 New Policy. Original effective date. Reviewed by Medical Policy Committee 10/14/2026. Policy establishes medical necessity criteria for selected procedures requested in higher-acuity settings. The policy requires review to determine whether services can be safely and appropriately performed in a lower-acuity setting, including Hospital Outpatient versus Ambulatory Surgery Center (ASC) and Inpatient versus Outpatient. Authorization is not required under this policy when services are performed in the designated lower-acuity setting.

This Medical Policy is intended to represent clinical guidelines describing medical appropriateness and is developed to assist Presbyterian Health Plan and Presbyterian Insurance Company, Inc. (Presbyterian) Health Services staff and Presbyterian medical directors in determination of coverage. The Medical Policy is not a treatment guide and should not be used as such.

For those instances where a member does not meet the criteria described in these guidelines, additional information supporting medical necessity is welcome and may be utilized by the medical director in reviewing the case. Please note that all Presbyterian Medical Policies are available online at: [Click here for Medical Policies](#)

Web links:

At any time during your visit to this policy and find the source material web links has been updated, retired or superseded, PHP is not responsible for the continued viability of websites listed in this policy.

When PHP follows a particular guideline such as LCDs, NCDs, MCG, NCCN etc., for the purposes of determining coverage; it is expected providers maintain or have access to appropriate documentation when requested to support coverage. See the References section to view the source materials used to develop this resource document.