

December 22, 2006

Important Notice – Change in Authorization Requirements for Observation Stay Services

Dear Keystone Mercy Provider:

Effective for dates of service beginning January 1, 2007, Keystone Mercy will no longer require authorization for Observation Stay Services at participating facilities. Observation services are broken down into the following categories:

Maternity/Obstetrical Observation Stay:

A maternity observation stay is defined as a stay usually requiring less than forty-eight (48) hours of care for the monitoring and treatment of patients with medical conditions related to pregnancy, including but not limited to:

- Symptoms of premature labor
- Abdominal pain
- Abdominal trauma
- Vaginal bleeding
- Diminished or absent fetal movement
- Premature rupture of membranes (PROM)
- Pregnancy induced hypertension/Preclampsia
- Hyperemesis
- Gestational Diabetes

Medical Observation Stay (usually managed in the outpatient treatment setting):

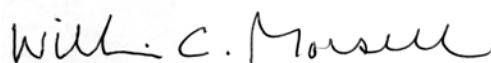
A medical observation stay is defined as a stay requiring less than forty-eight (48) hours of care for the observation of patients with medical conditions including but not limited to:

- Head Trauma
- Chest Pain
- Post trauma/accidents
- Sickle Cell disease
- Abdominal Pain
- Seizure
- Asthma
- Anemia
- Syncope
- Pneumonia

If the member is admitted after being observed, notification is required to the Utilization Management Department at 1-800-521-6622.

If you have questions about this letter, please contact **Provider Services** at **1-800-521-6007** or call your Provider Account Executive. Thank you for your participation in our network and your commitment to Keystone Mercy Health Plan members.

Sincerely,



William C. Morsell
Senior Vice President
Provider Network Management