



Explore Physician Emergency Department and Observation Care Evaluation and Management Services

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Acronym List



Acronym	Definition
ED	Emergency Department
E/M	Evaluation and Management
NPP	Non-Physician Practitioners
PFSH	Past Medical, Family, and Social History

- Medicare A & B Common Acronyms and Abbreviations ([JH](#)) ([JL](#))

Agenda



- Evaluation and Management Services in an Outpatient Setting
- Emergency Department Evaluation and Management Services
- Emergency Department Frequently Asked Questions
- Physician Observation Services
- Physician Observation Services Frequently Asked Questions
- Determining the Level of Care

Objectives



- Review evaluation and management services which occur in the outpatient emergency department, and observation settings
- Explore the regulations for evaluation and management services performed by practitioners in these settings
- Highlight the guidelines and the most frequently asked questions regarding evaluation and management services performed in these settings

Evaluation and Management Services in the Outpatient Hospital Setting

Types of Outpatient Evaluation and Management Services



- Emergency Department Services:
 - Organized hospital-based facility
 - Unscheduled episodic services requiring immediate attention
 - Open 24 hours a day
- Observation Services:
 - Within a hospital
 - Additional work-up needed to establish diagnosis
 - Do not require the level of service provided in an inpatient setting
- Office/Outpatient Services:
 - Clinics within a hospital
 - Physician offices within a hospital
 - Locations within the hospital other than inpatient and the ED
 - Physician offices

Patient Status



- Patient status determines which category of service to bill:
 - Inpatient:
 - ✓ Valid physician order is written for an inpatient admission
 - Outpatient:
 - ✓ Treatment received at hospital but does not stay overnight unless placed in observation

Emergency Department Evaluation and Management Services

Emergency Department



- Definition:
 - Organized hospital-based facility for the provision of unscheduled or episodic services to patients who present for immediate medical attention
- Purpose:
 - To treat patients who are suffering from an acute serious illness or injury that would lead to severe complications if not treated quickly, not designed to provide ongoing care
- Reference:
 - [Medicare Claims Processing Manual, Pub. 100-04, Chapter 12 - Physicians/Nonphysician Practitioners, Section 30.6.11 “Emergency Department Visits \(Codes 99281 – 99288\)”](#)

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Emergency Department Basic Rules



- Place of service 23
- Procedure codes (99281-99285):
 - Not limited to emergency physicians
 - Not used for any site of service other than an emergency department
 - Services may not be emergencies
 - Patient must be registered in the emergency department to bill procedure codes
- New versus established patient rules do not apply
- Multiple physicians of different specialties may bill emergency department procedure codes for the same patient on the same day

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Nonemergency Services



- Services in the ED may not be emergencies
- Patient must be registered as a patient in the ED to use procedure codes 99281-99285
- Patients not registered in the ED, use office/outpatient procedure codes
- Lower level ED code normally reported for nonemergency conditions

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Other Physicians



- ED services provided by patient's personal physician and emergency department physician:
 - Multiple physicians of different specialties may bill emergency department procedure codes for the same patient on the same day
- ED physician requests another physician to see patient in ED:
 - Other physicians should bill an emergency department visit code
 - If the patient is admitted to the hospital by the second physician performing the evaluation, bill an initial hospital care code and not an emergency department visit code

Emergency Department or Office/Outpatient Visits on Same Day as Nursing Facility Admission



- ED visits on the same day as comprehensive nursing facility assessment are not reimbursed
- E/M services provided in other sites on the same day are not separately payable
- Same date services are included in reimbursement of initial nursing facility care

Emergency Department Frequently Asked Questions

FAQ - Additional Work-up



- What constitutes additional work-up in the Amount and Complexity of Data grid for Medical Decision Making?
 - Additional work-up in all settings is anything done beyond the encounter when the physician needs to obtain more information for his medical decision-making and the results will be received when the patient is no longer present:
 - ✓ For example, additional work-up would be if a physician sees a patient in his office, writes an order for lab tests and the results will be received when the patient is no longer present

FAQ - Date of Service



- When a patient presents to an ED prior to midnight and the physician sees them after midnight, which date of service do we report?
 - The date of service would be the date the physician performs a face-to-face service with the patient

FAQ- Per Day Meaning



- **What does “per day” mean when referring to emergency department procedure codes?**
 - CPT defines evaluation and management services as “per day” which means the procedure codes include all work performed in all sites on the date of service.

Physician Observation Services

Observation Services



- Definition:
 - Use of a bed and periodic monitoring by the hospital's nursing or other ancillary staff, which are reasonable and necessary to evaluate an outpatient's condition or determine the need for possible inpatient admission
 - **Note:** Observation services are not medically necessary when determined by the facility's standard operating procedure or protocol for a given diagnosis or service
- Purpose:
 - Commonly ordered for patients who present to the emergency department and who then require a significant period of treatment or monitoring in order to make a decision concerning their admission or discharge
- Reference:
 - [Medicare Claims Processing Manual, Pub. 100-04, Chapter 12 - Physicians/Nonphysician Practitioners, 30.6.8 "Payment for Hospital Observation Services and Observation or Inpatient Care Services \(Including Admission and Discharge Services\)"](#)

Observation Basic Rules



- Services must be patient specific
- Services must be ordered by a physician
- Intended for short term care:
 - Generally do not exceed 24 hours
 - More than 48 hours only in rare and exceptional cases
- Outpatient services:
 - Place of service code 22 - outpatient hospital

Observation Order



- Definition:
 - Provide directions to the healthcare team regarding medications, procedures, treatments, therapy, diagnostic tests, laboratory tests, and nutrition
- Purpose:
 - Establishes medical necessity for the services provided
- Practitioner's order for observation must:
 - Clearly specify **outpatient observation**
 - Include the reason for observation
 - Be signed, dated and timed by the ordering practitioner

Observation Documentation



- Observation record is in addition to the emergency room or outpatient clinic record
- Documentation must contain and demonstrate:
 - Dated and timed admitting orders
 - Nursing notes
 - Progress notes
 - Consistency between the practitioner's intent and services provided
 - Medical necessity of services; and
 - Medical appropriateness of the observation stay
- Billing practitioner is physically present and personally performed the service
- Billing practitioner personally authored the order for observation services, progress notes and discharge notes

Categories of Observation Care



- Initial observation care 99218 - 99220
- Subsequent care 99224 – 99226
- Discharge 99217
- Admission and Discharge – 99234 - 99236

Initial Observation Care Requirements



- Admission to observation:
 - Initial observation care procedure codes (99218 - 99220)
 - Billed by admitting physician
- Includes all the care rendered by the ordering physician on the date the patient's observation services began regardless of site of service
- Billed by only the physician who ordered hospital outpatient observation services and was responsible for the patient during observation care
- Physicians who do not have inpatient admitting privileges but are authorized to furnish hospital outpatient observation services may bill observation care
- Observation record is in addition to the emergency room or outpatient clinic record

Subsequent Observation Care Requirements



- Care after admission to observation:
 - Subsequent observation care procedure codes 99224 - 99226
 - Billed by attending practitioner only

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Observation Discharge



- Discharge from observation:
 - Procedure code 99217
 - Date of discharge is after the date of admission
- Observation discharge includes:
 - Admitting physician's final examination of the patient, discussion of the hospital stay with the patient
 - Patient instructions for continuing care
 - Preparation of discharge records
- Observation or inpatient hospital care including the admission and discharge of the patient on the same date, use procedure codes 99234 - 99236 as appropriate

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Admission and Discharge – Same Calendar Day



- Observation admission and discharge same calendar date:
 - Patient discharged less than eight hours after admission on the same calendar date:
 - ✓ Use the appropriate observation care code (99218 – 99220)
 - Patient discharged more than eight hours up to 24 hours after admission on same calendar date:
 - ✓ Use only a code from range 99234 – 99236 (Observation or Inpatient Hospital Care Services, including admission and discharge service same day)
- Documentation requirements:
 - Observation treatment involves more than eight hours but less than 24 hours
 - Billing physician was present and personally performed the services; and
 - Admission and discharge notes were written by the billing physician

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Services Provided by Other Physicians



- Only attending physician bills observation care codes
- All other practitioners:
 - Use office/outpatient codes 99201 - 99205 or 99211 - 99215

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Observation to Inpatient Status by Same Provider



- Patient admitted to inpatient status by same practitioner on the same day:
 - Bill only the initial hospital care procedure codes 99221 - 99223
 - Admitting practitioner appends modifier -AI to the initial hospital visit code
 - Place of Service code 21
- Patient admitted to inpatient status by same practitioner on a subsequent day, admitting practitioner may bill:
 - Day 1 - Initial observation care (99218 - 99220); and
 - Day 2 - Initial hospital care (99221 - 99223)
- Observation discharge (99217) or subsequent observation care (99224 - 99226) not payable on either day of the observation admission or the inpatient admission
- *Note: Patient admitted to inpatient by a different provider with different specialty, initial hospital care code billed by admitting physician*

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Observation Services During Global Surgical Period



- Procedures performed with a 0, 10 or 90 day post operative period:
 - Global surgical fee includes payment for observation procedure codes 99217, 99218 - 99220, 99224 - 99226 and 99234 - 99236:
 - ✓ EXCEPTION:
 - Use of 24, 25, or 57 modifier when appropriate; and
 - The surgeon's observation service meets the criteria for the observation code billed
- Modifier definitions:
 - 24 - unrelated E/M by the same practitioner during a post operative period
 - 25 - significant, separately identifiable E/M by the same practitioner on the same day of service
 - 57 - decision for surgery (day of or the day before a procedure with a 90-day global surgical period)

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Inpatient Admission Changed to Outpatient



- Practitioners billing and coding should be consistent with the patient's status (inpatient or outpatient)
- Conversion of observation to inpatient status cannot be retroactive
- Medical necessity for admission must be met and documented at the time of conversion from observation to inpatient status
- Status cannot be changed to inpatient or observation after discharge or submission of the first claim
- Physician must correct your claim if the patient's status changes after claim submission
- Change from inpatient to observation permitted only if an observation order was written originally, otherwise bill appropriate office/outpatient procedure codes:
 - Note: Practitioner's order for observation must clearly specify outpatient observation, include the reason for observation and be signed, dated and timed by the ordering practitioner

Split/Shared Services



- Definition:
 - A medically necessary encounter with a patient where the physician and a qualified NPP each personally perform a substantive portion of an E/M visit face-to-face with the same patient on the same date of service
- Purpose:
 - Allows billing of an E/M service split/shared between a physician and NPP to be billed by either the physician or the NPP
- Requirements:
 - Observation services may be split/shared between practitioners and NPPs
 - Both practitioners must be members of the same group practice
 - Both must render a face-to-face service
 - Select code based on combined content of service by both practitioners
 - Submit only under one National Provider Identifier (NPI)

Physician Observation Services Frequently Asked Questions

FAQ - Typical Time



- **What is the typical amount of time a patient receives observation services?**
 - Observation services generally do not exceed 24 hours. Although some patients may require a second day of observation, only in rare and exceptional cases do observation services span more than 48 hours.

FAQ - Observation Documentation Requirements



- **What is required in the medical record by the billing practitioner to justify observation services?**
 - Physical presence and personally performed the service
 - Personally authored the order, progress notes and discharge notes:
 - ✓ *Note: The medical record is expected to demonstrate the consistency between the practitioner order, the services actually provided and the medical necessity of those services, including the medical appropriateness of the observation stay.*

FAQ - Split/Shared



- **Can observation services be split/shared?**
 - Yes. Observation services can be split/shared between a physician and non-physician practitioner in the same group. Services may be billed under the non-physician practitioner. Services may also be billed under the physician which requires a face-to-face visit with the patient.

FAQ - Same Day Admission and Discharge



- **What procedure codes are used to bill the initial observation service and discharge services on the same day?**
 - Procedure codes 99234 - 99236
 - Medical record must include documentation stating the stay for observation care involves 8 hours, but less than 24 hours
 - Hours are based on a calendar day

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FAQ - Billing and Coding



- **Who can bill for observation services and what procedure codes are used?**
 - Only the practitioner who orders and is responsible for the patient care while receiving observation services:
 - Initial (99218 - 99220)
 - Subsequent (99224 - 99226)
 - Discharge (99217)
 - All other practitioners bill office/outpatient procedure codes
 - Rules for new vs. established patients apply

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FAQ- Observation to Inpatient



- **What is billed when a patient is escalated from observation to inpatient on the same calendar day?**
 - If admitted by the same physician, bill the initial hospital care procedure codes 99221 - 99223 only

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I N N O V A T I O N I N A C T I O N

Determining the Level of Care

Level of Care Requirements - Emergency Department



LEVEL OF SERVICE	HISTORY	EXAM	COMPLEXITY OF MEDICAL DECISION
99281	Problem Focused	Problem Focused	Straightforward
99282	Expanded Problem Focused	Expanded Problem Focused	Low
99283	Expanded Problem Focused	Expanded Problem Focused	Moderate
99284	Detailed	Detailed	Moderate
99285	Comprehensive	Comprehensive	High

- Requires 3 components (must meet or exceed all components in any given level)

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Levels of Care Requirements - Initial Observation Care



LEVEL OF SERVICE	HISTORY	EXAM	COMPLEXITY OF MEDICAL DECISION
99218 30 minutes	Detailed/ Comprehensive	Detailed/ Comprehensive	Straightforward/ Low
99219 50 minutes	Comprehensive	Comprehensive	Moderate
99220 70 minutes	Comprehensive	Comprehensive	High

- Requires 3 components (must meet or exceed all components in any given level)

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Levels of Care Requirements - Subsequent Observation Care



LEVEL OF SERVICE	HISTORY	EXAM	COMPLEXITY OF MEDICAL DECISION
99224 15 minutes	Problem Focused Interval	Problem Focused	Straightforward/ Low
99225 25 minutes	Expanded Problem Focused Interval	Expanded Problem Focused	Moderate
99226 35 minutes	Detailed Interval	Detailed	High

- Requires 2 key components (must meet or exceed 2 of the 3 key components in any given level)

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Levels of Care Requirements - Observation Services (Including Admission and Discharge Services)



LEVEL OF SERVICE	HISTORY	EXAM	COMPLEXITY OF MEDICAL DECISION
99234 (40 minutes)	Detailed/ Comprehensive	Detailed/ Comprehensive	Straightforward/ Low
99235 (50 minutes)	Comprehensive	Comprehensive	Moderate
99236 (55 minutes)	Comprehensive	Comprehensive	High

- Time is not a factor in determining the level of service
- Requires 3 components (must meet or exceed all components in any given level)

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Level of Care Reminders



- History:
 - Lowest level requires at least a DETAILED history
 - Detailed history requires one or more PFSH (past medical, family and social history) areas
 - Comprehensive history requires all 3 PFSH areas
- Examination:
 - Lowest level requires at least a DETAILED exam
 - Detailed exam - “4 X 4” method (4 elements examined in 4 body areas or 4 organ systems)
- Medical Decision Making (MDM):
 - Not solely based on the Risk of Complications
- Reference:
 - [CMS Evaluation and Management Guide](#)

Novitas Solution's Website



- Evaluation and Management Center ([JH](#)) ([JL](#)):
 - Interactive Tools & Printable E/M, Specialty Score Sheets
 - Fact Sheets
 - Coding Instructions
 - E/M Frequently Asked Questions
 - Education and Training
 - CERT program findings
 - Targeted Probe and Educate
 - Additional Coding Assistance

Evaluation and Management Guidelines



- The [2020 Current Procedural Terminology](#) (CPT) manual is a medical coding set used to report medical, surgical, and diagnostic procedures to physicians and health insurance companies
- Guidance on billing and coding Evaluation and Management Services can be referenced in [Internet Only Manual Medicare Claims Processing Manual, Pub. 100-4, Chapter 12 - Physicians/Nonphysician Practitioners, Section 30.6, “E/M Service Codes”](#)
- The [CMS Evaluation and Management Guide](#) is a reference tool that provides direction based on the 1995 and 1997 Documentation guidelines for E/M services
- [1995 Documentation Guidelines](#) for evaluation and management services provides guidance on billing the history, exam and medical decision making
- [1997 Documentation Guidelines](#) for evaluation and management services provides an expanded definitions of status of chronic conditions and specialty examination scoring

Summary



- Ensure all services are medically necessary
- Patient status determines which category of service to bill
- Review and understand the guidelines for evaluation and management services
- Use the resources available to you to assist with documentation and coding questions

Customer Contact Information



- Providers are required to use the IVR unit to obtain:
 - Claim Status
 - Patient Eligibility
 - Check/Earning
 - Remittance inquiries
- Jurisdiction H:
 - Customer Contact Center- 1-855-252-8782
 - Provider Teletypewriter- 1-855-498-2447
- Jurisdiction L:
 - Customer Contact Center- 1-877-235-8073
 - Provider Teletypewriter- 1-877-235-8051
- Patient / Medicare Beneficiary:
 - 1-800-MEDICARE (1-800-633-4227)
 - <http://www.medicare.gov>

Thank You for Attending



- Complete the event satisfaction survey:
 - Pops up immediately after the event ends
- Continuing Education Unit (CEU):
 - Once your attendance for an event is confirmed, you will receive an email notification that you have completed the course:
 - ✓ This process could take up to seven days
 - After you receive your event completed notification email, you can print your CEU Certificate via the Novitas Learning Center:
 - ✓ Click Completed Training icon from Home Page
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  VILT Course: 01/16/2019 TCD TEST	01162019_TCD_TEST		1/16/2019	