



Related MLN Matters Article #: MM5791

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Related CR #: 5791

Payment for Hospital Observation Services (Codes 99217 - 99220) and Observation or Inpatient Care Services (Including Admission and Discharge Services - Codes 99234 - 99236)

Key Words

MM5791, R1466CP, CR5791, Hospital, Observation, Inpatient, Admission, Discharge

Provider Types Affected

Physicians and qualified non-physician practitioners (NPPs), submitting claims to Part A/B Medicare Administrative Contractors (A/B MACs) and carriers for hospital observation services provided to Medicare beneficiaries during a hospital visit

Key Points

- The effective date of the instruction is April 1, 2008.
- The implementation date is April 7, 2008.

Payment Policy Requirements in Change Request (CR) 5791

- Physicians and qualified NPPs **should report** Initial Observation Care using a code from Current Procedural Terminology (CPT) code range 99218 – 99220 when the observation care is less than 8 hours on the same calendar date.
- Physicians and qualified NPPs **should not report** an Observation Care Discharge Service (CPT code 99217) when the observation care is less than 8 hours on the same calendar date.
- Physicians and qualified NPPs should report Initial Observation Care using a code from CPT code range 99218 – 99220 and an Observation Care Discharge Service (CPT code 99217) when the patient is admitted for observation care and discharged on a different calendar date.
- Physicians and qualified NPPs should report Observation or Inpatient Care Service (Including Admission and Discharge Service) using a code from CPT code range 99234 – 99236 when the patient is admitted for observation care for a minimum of 8 hours but less than 24 hours and discharged on the same calendar date.
- Physicians and qualified NPPs **should not report** Observation Care Discharge Service (CPT code 99217) when the observation care is a minimum of 8 hours and less than 24 hours and the patient is discharged on the same calendar date.

- Physicians and qualified NPPs should report Office or Other Outpatient Visit using a code from CPT code range 99211 – 99215 for a visit before the discharge date in those rare instances when a patient is held in observation care status for more than two calendar dates.

Documentation Requirements in CR5791

- Physicians and qualified NPPs should document the medical record to satisfy the evaluation and management guidelines for admission to and discharge from observation care or inpatient hospital care.
- Physicians and qualified NPPs should note that the documentation requirements for history, examination, and medical decision-making have to be met.
- Physicians and qualified NPPs should:
 - Document his/her physical presence;
 - Document his/her personal provision of observation care;
 - Document the number of hours the patient remained in the observation care status; and
 - Personally document the admission and discharge notes.

Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5791.pdf> on the CMS website.

The official instruction (CR5791) regarding this change may be viewed at

<http://www.cms.hhs.gov/Transmittals/downloads/R1466CP.pdf> on the CMS website.

If providers have questions regarding this issue, they may contact their A/B MAC or carrier at their toll-free number, which may be found at

<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.