



Related MLN Matters Article #: MM5793

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Related CR #: 5793

Payment for Initial Hospital Care Services (Codes 99221 – 99223) and Observation or Inpatient Care Services (Including Admission and Discharge Services) (Codes 99234 – 99236)

Key Words

MM5793, R1465CP, CR5793, Initial, Hospital, Observation, Inpatient, Admission, Discharge

Provider Types Affected

Physicians and qualified nonphysician practitioners (NPPs) who bill Medicare Carriers and Part A/B Medicare Administrative Contractors (A/B/MACs) for inpatient services provided to Medicare beneficiaries

Key Points

- The effective date of the instruction is April 1, 2008.
- The implementation date is April 7, 2008.
- Change Request (CR) 5793 updates initial hospital care policy found in the *Medicare Claims Processing Manual*.

Payment Policy Requirements in CR5793

- When a patient is admitted to inpatient hospital care for less than 8 hours on the same calendar date, providers should report the Initial Hospital Care using a code from the Current Procedural Terminology (CPT) code range 99221 – 99223. In this scenario, providers are not to use the Hospital Discharge Day Management Service, CPT code 99238 or 99239.
- When a patient is admitted for inpatient hospital care and discharged on a different calendar date, providers should report the Initial Hospital Care using a code from the CPT code range 99221 – 99223 and CPT code 99238 or 99239 for a Hospital Discharge Day Management Service.
- When a patient is admitted to inpatient hospital care for a minimum of 8 hours but less than 24 hours and discharged on the same calendar date, providers should report the Observation or Inpatient Hospital Care Services (Including Admission and Discharge Services Same Day) using a code from the CPT code range 99234 – 99236, and no additional discharge service.

Documentation Requirements in CR5793

- Providers should note that their medical record documentation must meet the evaluation and management documentation requirements for history, examination, and medical decision-making.
- For reporting CPT codes 99234 – 99236 the medical record should include:
 - Documentation stating the stay for hospital treatment or observation care status involves 8 hours but less than 24 hours;
 - Documentation identifying that the billing physician was present and personally performed the services; and
 - Documentation identifying the admission and discharge notes that were written by the billing physician.

Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5793.pdf> on the CMS website.

The official instruction (CR5793) regarding this change may be viewed at

<http://www.cms.hhs.gov/Transmittals/downloads/R1465CP.pdf> on the CMS website.

Providers will find the updated *Medicare Claims Processing Manual*, Chapter 12 (Physicians/Nonphysician Practitioners), Section 30.6.9.1 (Payment for Initial Hospital Care Services (Codes 99221–99223 and Observation or Inpatient Care Services (Including Admission and Discharge Services) (Codes 99234 – 99236) as an attachment to that CR.

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

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

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