

Dermatology Coding Alert

E/M Coding: Only 'Treating Physician' Can Report Subsequent Observation Care, CMS Clarifies

All other doctors who evaluate the patient must report outpatient E/M codes.

In effect for ten months now, CPT's subsequent observation care codes (99224-99226) have been something of a mystery since they were released, but CMS finally ended that last week by issuing clarifications about how to report these codes.

CMS notes that subsequent observation care pay includes "all the care rendered by the treating physician on the day(s) other than the initial or discharge date," according to MLN Matters article MM7405, with an implementation date of Nov. 28, 2011.

Because CMS refers specifically to the "treating physician" in the above passage, the agency goes on to qualify that any other physicians evaluating or consulting on the observation care patient "must bill the appropriate outpatient service codes," and not the subsequent observation care codes.

This eliminates prior confusion that existed about exactly who could report subsequent observation care. Although MACs had spoken about this issue in the past, the MLN Matters article was the first time that CMS came out with a strong position on the issue in writing.

MAC advice: WPS Medicare, a Part B payer in four states, put its advice in writing back in January, noting "only the physician admitting the patient to observation care status may bill these codes," including the admission (99218-99220), subsequent observation (99224-99226), and discharge from observation (99217) procedure codes. Anyone else seeing the patient while in observation care would bill using an office or other outpatient procedure code (99201-99215), as appropriate.

Plus: CMS expects use of the subsequent observation care codes to be infrequent, noting, "In the rare circumstance when a patient receives observation services for more than two calendar days, the physician will bill observation services furnished on day(s) other than the initial or discharge date using subsequent observation care codes," the article notes.

To read the complete MLN Matters article, visit www.cms.gov/MLNMattersArticles/Downloads/MM7405.pdf.