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Internal Medicine Coding Alert

Let the Right Answers Earn You $70 for Observation Care

Experts show when to choose 99218 instead of 99212

Reporting established patient codes (**99212-99215**) when your internist sends a patient for hospital observation after an office visit could be costing your practice $70 a session. To earn the reimbursement you deserve, you should choose hospital observation codes **99218-99220**.
Review the following expert answers to your hospital observation questions.

Q. When should we use 99218-99220?

You should report hospital observation codes (for example, **99219**, Initial observation care, per day, for the evaluation and management of a patient ...) when your internist sends a patient to the hospital for observation and maintains responsibility for that patient during the stay, says Beverly Roy, CPC, CCP, a professional coder for internists at Summit Medical Associates in Hermitage, Tenn.

Key points: The codes cover one 23-hour period, and the patient must remain in observation for up to eight hours for Medicare to pay for 99218-99220, Roy says.

Example: A patient presents to the physician with chest discomfort (786.59, Chest pain; other). Suspecting myocardial infarction (410.xx, Acute myocardial infarction), the doctor sends the patient to a hospital's observation unit. Because your physician assigned that patient observation status, you should report 99218 instead of an office visit code, such as **99212** (Office or outpatient visit for the E/M of an established patient ...). Observation care includes "all evaluation and management services provided by the supervising physician" on the same day of service, according to CPT 2004.

The bottom line: By correctly coding the above visit, you could expect higher reimbursement than if you had assigned 99212 instead. For instance, Medicare pays $70 for 99218, based on national averages. But the government pays only $40 for 99212.

Q. What should initial-observation documentation include?

To best document the observation, you should put the following in the medical record:

1. The date and time the observation began.
2. The treatment the physician will provide while the patient is in observation (for example, 93010, Electrocardiogram, routine ECG with at least 12 leads; interpretation and report only).
3. Nursing and progress notes.
4. The appropriate ICD-9 codes to support medical necessity. **Example:** To support using 99218 for the ECG above, you should assign 786.59 (Chest pain; other).

Q. What if the physician admits and discharges the patient on the same day?

The keys to choosing the right code in this situation are to count the hours the patient stays in observation, the time of admission and discharge, and the date of service, Roy says.

Careful: If the patient stays in observation status for less than eight hours on the same day, you should report 99218-99220. Also, you can't report discharge code 99217 (Observation care discharge day management) for observations under eight hours, Roy says.

Tip: But if the observation lasts more than eight hours, you should report 99234-99236 (Observation or inpatient care services), according to Medicare guidelines. And if you report one of these codes, you can expect better reimbursement than if you used 99218-99220. For instance, Medicare pays $140 for 99234, based on national averages.

How to Get Paid for Discharges

When the internist discharges the patient on the day following admission, you can bill 99217 (Observation care discharge day management), which also reimburses about $70 nationally, in addition to 99218-99220 for the admission day.

Remember that to report a discharge code -- such as 99217 -- the physician must actually participate in the discharge service, says Marcella Bucknam, CPC, CCS-P, CPC-H, CCA, coordinator of HIM certificate programs at Clarkson College in Omaha, Neb.