

Internal Medicine Coding Alert

New Medicare Policy on Observation/Inpatient Hospital Care Codes

Observation Care Codes

Less than eight hours in observation, discharge on the same day:

New national policy: Bill only initial observation care codes 99218-99220, do not bill discharge code.

Old policy: Bill only initial observation care codes 99218-99220, do not bill discharge code.

Various LMRPs: Bill observation/inpatient hospital care codes 99234-99236.

More than eight hours in observation, discharge on the same day:

New national policy: Bill observation/inpatient hospital care codes 99234-99236.

Old policy: Bill initial observation care codes 99218-99220 only, do not bill discharge code.

Various LMRPs: Bill observation/inpatient hospital care codes 99234-99236.

Admission and discharge on different dates:

No change: Bill 99218-99220, and bill 99217 (observation care discharge).

Inpatient Hospital Care Codes

Less than eight hours in hospital, discharge on the same day:

New national policy: Bill 99221-99223, do not bill discharge code.

Old policy: Bill 99221-99223, do not bill discharge code.

Various LMRPs: Bill 99234-99236.

More than eight hours in hospital, discharge on the same day:

New national policy: Bill observation/inpatient hospital care codes 99234-99236.

Old policy: Bill initial hospital care codes 99221-99223 only, do not bill discharge code.

Various LMRPs: Bill observation/inpatient hospital care codes 99234-99236.

Admission and discharge on different dates:

No change: Bill 99221-99223 and 99238-99239.