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Internal Medicine Coding Alert

Optimize Inpatient and Observation Payup with New Same-Day Admit and Discharge Codes

Some internal medicine practices may see higher reimbursement for observation and inpatient care services since CPT has added three new codes for same-day admissions and discharges (observation or inpatient care services 99234-99236) earlier this year.

Thats because, prior to the addition of these new codes, many internists were only seeing reimbursement for the admission E/M code when they admitted a patient to the hospital or to an observation unit then discharged the patient on the same day, says **Gail Pfeiffer, CPC**, director of procedural coding for internal medicine at the Cleveland Clinic Foundation in Cleveland, OH. You couldnt get any credit for the discharge code because the rule is, only one E/M (code) per day.

It is a policy with Medicare, and generally with other payers, that providers will roll up all the care provided to one patient on a single day into one E/M service, Pfeiffer explains. Thus, although you are providing two services you are only being paid for one.

Because internists would be reimbursed for only one E/M service that day, those who admitted patients to the hospital and then discharged them the same day might try to code the admission at a higher level of service that would reflect the increased amount of work performed, but they often would not be able to recoup the cost of providing the additional discharge service, she states.

Now, instead of using the initial inpatient care codes (99221-99223) and initial observation care codes (99218-99220) along with their separate discharge codes (99217 for observation discharge and 99238-99239 for hospital discharge services), physicians have the new observation or inpatient care services codes as an option.

How to Correctly Utilize Codes

For example, a patient presents in his internists office at 8 a.m. with unexplained chest pain. The physician decides to admit him to the hospitals chest pain observation unit. After seven hours, at 3 p.m. the same day, the patient has been ruled out for MI or other serious ailment, and is discharged from the unit by the physician.

In this case, the internist probably has taken a detailed history and performed a detailed examination, with medical decision-making of low complexity, states **Catherine A. Brink, CMM, CPC**, president of Healthcare Resource Management, a health care consulting firm in Spring Lake, NJ.

The inpatient and observation services code 99234 should be used, Brink says. However, she cautions, CPT clearly states that these codes can only be used when the patient is admitted and discharged on the same date of service.

This is different than using these codes when the patient is admitted and discharged within a 24-hour period.

For instance, if that same patient had been admitted at 11 p.m. and discharged at 7 a.m. the next morning, then you couldnt use those codes because there are different dates of service, she explains.

In that case, the code 99221 should be used for admission, and then 99238 (discharge day management, under 30 minutes) would be used when the patient was discharged, she states.

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Reimbursement May be Better

Medicare reimbursement is reportedly slightly higher with the new codes, Brink adds.

In the physician fee schedule, a low-level initial hospital care service (99221) is worth 2.01 relative value units (RVUs). The lowest level observation or inpatient care code (99234) is worth 3.30 RVUs.

This new code does allow a base for differentiating between the time you spent to admit and discharge a patient on the same day, Pfeiffer says. It does recognize that you are giving two separate services here.

Codes More Accurate Representation of Care

The new codes offer a more realistic representation of the care provided then when practices billed for a hospital admission and then billed the separate discharge code, states **Shon Pirollo**, a practice management consultant with Winer & Bevilacqua in Akron, OH.

The difference in the complexity of medical decision-making required for the admission and discharge the same day will determine which of the three codes--99234, 99235, or 99236--are used, Pirollo says.

The consultant adds that coders should be aware that when a service is initiated in the physicians office, emergency department or other location and the patient is then admitted and discharged to the hospital or observation unit the same day, then the only code the physician should bill is the appropriate combination inpatient and observation services codes 99234-99236. The practice cannot bill a separate E/M for an office visit, then bill for admission and discharge.

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New Observation or Inpatient Care Codes

99234- Observation or inpatient hospital care, for the evaluation and management of a patient including admission and discharge on the same date, which requires these three key components:

-a detailed or comprehensive history;

-a detailed or comprehensive examination; and

-a medical decision-making that is straightforward or of low complexity.

Counseling and/or coordination of care with other providers or agencies are provided consistent with the nature of the problem(s) and the patients and/or familys needs.

Usually, the presenting problem(s) requiring admission are of low severity. (3.30 RVUs)

99235- Observation or inpatient hospital care, for the evaluation and management of a patient including admission and discharge on the same date, which requires these three key components:

-a comprehensive history;

-a comprehensive examination; and

-a medical decision-making of moderate complexity.

Counseling and/or coordination of care with other providers or agencies are provided consistent with the nature of the problem(s) and the patients and/or familys needs.

Usually, the presenting problem(s) requiring admission are of moderate severity. (4.56 RVUs)

99236- Observation or inpatient hospital care, for the evaluation and management of a patient including admission and discharge on the same date, which requires these three key components:

-a comprehensive history

-a comprehensive examination; and

-a medical decision-making of high complexity.

Counseling and/or coordination of care with other providers or agencies are provided consistent with the nature of the problem(s) and the patients and/or familys needs.

Usually, the presenting problem(s) requiring admission are of high severity. (5.50 RVUs)

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