

Orthopedic Coding Alert

Reader Question: Observation Services on a Single Day? Check Payer Policy

Question: In a patient who reported with a head injury after a traumatic fall, our physician performed a level-three observation service. The patient reported to the facility at 9 a.m. and was kept under observation till 11:15 p.m. on the same day. How can we report these observation services for a single day?

Ohio Subscriber

Answer: For the observation services described, you will submit a single observation code. You report code 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 3 key components: a comprehensive history; a comprehensive examination; and medical decision making of high complexity) for the encounter.

Eight hour rule: For Medicare payers, you'll pick from the 99234-99236 code set if the observation lasts more than eight hours on a single calendar day.

Observations less than 8 hours: For observations that last less than eight hours on a single calendar day, Medicare wants you to report the appropriate code from the 99218-99220 (Initial observation care, per day, for the evaluation and management of a patient...) code set.

Check with your payer: The above rules apply to Medicare. With private payers, make sure to check the policies before reporting a 99218-99220 for single-day observations of less than eight hours. Some payers may follow the CPT® section guidelines and direct you to use the 99234-99236 code set for an admission and discharge from observation on the same date.

Remember that you have to meet the documentation guideline requirements for the level of service reported.