

Part B Insider (Multispecialty) Coding Alert

CORRECT CODING INITIATIVE: Observation Care Edit Causes Confusion

Coordination with inpatient departments on observation is important

Of the thousands of new Correct Coding Initiative edits taking effect July 1, one edit is causing confusion and misunderstandings among payment experts.

Starting next month, observation care codes 99217-99220 and 99234-99236 will become mutually exclusive with G0244 (Observation care provided by a facility to a patient with CHF, chest pain, or asthma, minimum eight hours, maximum 48 hours). This edit is confusing because G0244 is only billed on the facility side and used to capture the APC payments, says **David McKenzie**, director of reimbursement with **American College of Emergency Physicians**.

Physicians should be billing the CPT codes in any case, not G0244, so it's unclear why the CCI edits addressed both sets of codes. "I am not familiar with CCI edits making that kind of distinction," says McKenzie. Starting in 2002, Medicare pays facilities for observation for three conditions: congestive heart failure, chest pain and asthma. The CCI edit shouldn't prevent the facility from billing G0244 at the same time as the physician bills 99217-99220 or 99234-99236, claims McKenzie.

This edit is probably "simply implementing the logic of outpatient prospective payment," says **Jim Blakeman**, vice president of reimbursement with **Emergency Groups Office** in Arcadia, CA. Hospitals shouldn't bill for anything else along with G0244, but physicians should be able to bill separately for their professional services using those CPT codes. If a patient has asthma but also another diagnosis that's not covered by G0244, the hospital may be tempted to bill both G0244 and 99220, notes Blakeman. "It's really just a clarification of the existing rules for facility coding."

It's important when billing for observation in an inpatient facility to coordinate the record keeping and counting for both the physician and hospital side, notes Blakeman. But bear in mind the clock starts at a different time for the physician than for the hospital. For the physician, the minimum of eight hours for observation billing starts when the physician decides to put the patient under observation. For the facility, it starts when the patient is handed over to the nursing station.

"A physician might actually report eight hours of observation, but the facility have only documented seven and a half," notes Blakeman. The doctor may decide to start observation, then take the patient's history and physical. But "the clock only starts at the hospital when the nurse station receives the patient."