

## Part B Insider (Multispecialty) Coding Alert

### READER QUESTION: Don't Report Inpatient Hospital Care When Physician Admits Patient to Observation

**You can list subsequent days as inpatient care, however**

**Question:** Our physician admitted a patient to observation on April 22. The physician wrote orders to change the full admission on April 23. The patient remained in-house on April 24, and the doctor discharged him on April 25. Should I report day one as initial observation, days two and three as subsequent hospital care, and day four as discharge? Or should I bill all days as inpatient, including April 22?

**Answer:** The answer to both of your questions is -No.- You should stick with initial observation care (99218-99220, Initial observation care, per day, for the E/M of a patient -) on April 22 because the physician admitted the patient to observation status and did not change the order in person that day. The physician must provide a face-to-face encounter on each day and satisfy the requirements for each individual service.

You would change to initial hospital care (99221-99223, Initial hospital care, per day, for the E/M of a patient -) only if the doctor returned the same day--on April 22--and wrote a new order to admit the patient to inpatient status.

Although a patient in observation status has been at the hospital, you should still code the first day of inpatient status as initial hospital care.

While in observation care, the patient is an outpatient (place-of-service code 22, Outpatient hospital). Hospital admission makes him an inpatient (POS code 21, Inpatient hospital) for the first time.

You should report the claim as follows:

- initial observation care (99218-99220) on April 22
- initial hospital care (99221-99223) on April 23
- subsequent hospital care (99231-99233, Subsequent hospital care, per day, for the evaluation and management of a patient -) on April 24
- hospital discharge day management (99238-99239) on April 25.