

Part B Insider (Multispecialty) Coding Alert

Reader Question: Sequence Hospital E/M Services Properly

Question: I have trouble figuring out how to charge for a patient that was in observation, then admitted to the hospital, and then discharged. How would I report: observation on 8/20/11, admitted 8/21/11, and discharged 8/22/11? Also, how do I list place of service -- in-patient or observation?

Answer: If an observation patient is admitted to inpatient status by the same practitioner on a subsequent day, you may bill as follows:

- Day 1 -- Bill the observation using an initial observation care code (99218-99220, Initial observation care, per day, for the evaluation and management of a patient ...). The place of service should be 22 (Outpatient hospital).
- Day 2 -- Bill the admission using an initial hospital care code (99221-99223, Initial hospital care, per day, for the evaluation and management of a patient ...). The place of service should be 21 (Inpatient hospital).

Remember: CPT® does not include a code for hospital admission itself. You'll bill 99221-99223 for the admitting physician for the physician's care if he documents the elements contained within the codes (appropriate history, exam, and medical decision-making). You are not billing for the admit itself, but rather billing for the care that your physician provides based on the documentation.

- Day 3 -- Bill the discharge management service using 99238 (Hospital discharge day management; 30 minutes or less) or 99239 (... more than 30 minutes), depending upon the time your physician spent on the patient's discharge. Again, use place of service code 21.