

Eli's Rehab Report

Reader Question: Even Observation Patients Require H&P

Question: Our physiatrist admitted a patient as observation status. He handwrote a history and physical (H&P) form, but his documentation doesn't meet the criteria of 99218, so he wants to charge a new patient code (99201) instead. Is this correct?

Delaware Subscriber

Answer: If the physiatrist's documentation fails to meet the criteria for the lowest-level observation code (99218), you should instead report 99499 (Unlisted evaluation and management service) for Medicare patients and submit a copy of the physician's chart notes along with your claim.

You may be able to report 99218-52 (Reduced services) to non-Medicare insurers, but this depends on your private insurer's guidelines.

Your overarching problem sounds like poor documentation. If your physicians routinely under-dictate their chart notes, chances are your practice is throwing away a portion of its reimbursement.

Anytime you admit a patient to observation status, the record should indicate when you admitted him or her, some rationale for the observation (for example, Patient is admitted to observation due to suspicion of spinal injury), the physician's orders for the specific nursing care, diagnostic tests, etc., to be performed while the patient is in observation, and notes regarding the physician's periodic reassessments.

The history and physical exam components you use to determine the level of observation can be performed either during the observation service or during the initial emergency department visit, but CPT rules do not allow you to report a regular E/M code and an observation code on the same date of service.

According to CPT, When observation status is initiated in the course of an encounter in another site of service (e.g., hospital emergency department, physician's office, nursing facility) all evaluation and management services provided by the supervising physician in conjunction with initiating observation status are considered part of the initial observation care when performed on the same date.