

Modifier Coding Alert

Reader Question: E/M and Service on Same Day Equals Modifier 25

Question: A physician in our practice went to the emergency department to perform an E/M and repair a laceration of the scalp for an established patient. On the same day, the doctor then ordered hospital outpatient observation services. Are the observation services billable?

Kansas Subscriber

Answer: Because the hospital observation service (99218-99220, Initial observation care, per day, for the evaluation and management of a patient, ...) and the procedure (12001-12007, Simple repair of superficial wounds of scalp, neck, axillae, external genitalia, trunk and/or extremities [including hands and feet]; ...) are separately identifiable, they are billable with modifier 25 (Significant, separately identifiable evaluation and management service by the same physician or other qualified health care professional on the same day of the procedure or other service) attached to the procedure code. You would also report the E/M service (99221-99223, Initial hospital care, per day, for the evaluation and management of a patient, ...).

The specific E/M code that you would use depends on the length of the observation stay. On the rare occasion when a patient remains in observation care for three days, the physician shall report an initial observation care code 99218-99220 for the first day of care, a subsequent care code (99224-99226, Subsequent observation care, per day, for the evaluation and management of a patient, ...) for the second day, and an observation care discharge CPT® code 99217 (Observation care discharge day management) for the care on the discharge date. When observation care continues beyond three days, the physician shall report a subsequent observation care code (99224-99226) for each day between the first day of care and the discharge date.