

Pain Management Coding Alert

Reader Question: Document Encounter Specifics to Duck Observation Denials

Question: We recently submitted a 99236 code for an observation service our PM physician provided for an established Medicare patient. The patient was in observation from 9 a.m. until 7 p.m. on a Friday. I figured the claim was overcoded, but when we called our Medicare provider, I learned that it was denied for insufficient documentation. Are there documentation requirements for Medicare claims for observation services that last between eight and 24 hours?

Illinois Subscriber

Answer: According to **Mary I. Falbo, MBA, CPC**, CEO of Millennium Healthcare Consulting, Inc. in Lansdale, Pa., you need to follow some pretty specific documentation guidelines when you submit observation codes 99234 (Observation or inpatient hospital care, for the evaluation and management of a patient including admission and discharge on the same date, which requires these 3 key components: a detailed or comprehensive history; a detailed or comprehensive examination; and medical decision making that is straightforward or of low complexity...) through 99236 (... a comprehensive history; a comprehensive examination; and medical decision making of high complexity...) to Medicare, and payers that observe Medicare rules.

In addition to meeting the documentation requirements for the standard evaluation and management (E/M) components □ history, examination, and medical decision making □ Falbo recommends that you prove to Medicare, in writing, that:

- the patient's observation admit and discharge occurred on the same calendar date;
- the patient's observation stay lasted at least eight hours, but did not exceed 24 hours; the billing physician was present and personally performed the observation services; and
- the admission and discharge notes were written by the billing physician.

Add-on advice: Falbo also recommends keeping these tips in mind when you are coding for your physician's observation services:

- When the length of stay is less than eight hours, providers should report codes 99218 (Initial observation care, per day, for the evaluation and management of a patient which requires these 3 key components: a detailed or comprehensive history; a detailed or comprehensive examination; and medical decision making that is straightforward or of low complexity...) through 99220 (... a comprehensive history; a comprehensive examination; and medical decision making of high complexity...) for Medicare, depending on encounter specifics.
- When the length of stay is eight hours or longer, providers should report codes 99234-99236 for Medicare and payers that follow Medicare's lead. This is a Medicare feature, however, so be careful. CPT® does not mention a time requirement for 99234-99236; it only stipulates that you should use these observation codes "to report observation or inpatient hospital care services provided to patients admitted and discharged on the same date of service." Some private payers might want 99234-99236 □ not 99218-99220 □ when admission and discharge occur on the same date of service, regardless of how long the observation lasted.