Billing and Reimbursement Guideline:	**Evaluation and Management Guidelines**

Guideline Publication Date:	**September 1, 2010**

Key coding, documentation and reimbursement points include:

Office Visits:

- Payment is only allowed for one Evaluation and Management code per practice, per specialty type, per date of service.
- If a preventative exam and an Evaluation and Management code for a sick visit are billed on the same day, notes may be required to review for potential separate payment. A modifier indicating the separate service is also required.
- "New patient" is defined as a patient that has not received services from the physician or another qualified health professional (with the same specialty or subspecialty) in the same practice within the last three (3) years.

Observation Services:

- Payment is only allowed for one Evaluation and Management code per practice, per specialty type, per date of service.
- Services apply to new and established patients admitted to a hospital specifically for observation (not required to be a designated area of the hospital).
- Only the physician who admits the patient to observation status can report the initial observation Evaluation and Management code.
- If the patient is admitted to observation from the office or another department of the hospital, any services that were provided in addition to the observation stay

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9/1/2013	Condensed "Evaluation and Management Codes- Multiple on the same date of service" with "Evaluation and Management Services- Observation", added Inpatient and Prolonged Services language. In addition, format change and additional minor edits applied.

services are considered to be a part of the initial observation care when performed on the same date of service by the same provider.

- If the patient is admitted on the same date as the initial observation stay date, the physician can only bill for the initial hospital visit.

- When the patient is changed from observation to inpatient status on the same date of service, the physician cannot bill for a discharge management code, 99217 or an outpatient visit for the care in the observation unit.

- Any physician, other than the admitting physician to observation status, should use the appropriate outpatient/office or consultation codes to bill for services to the patient while on observation status.

- If the patient is admitted and discharged from observation status on the same date, the appropriate coding section include codes 99234-99236, Observation or Inpatient Care Services (Including Admission and Discharge Services). Billing criteria includes:

  - The observation stays must be for a minimum of eight hours but less than 24 hours
  - The billing physician must be present and personally providing the services
  - The admitting and discharge notes must be written by the billing physician

- If the patient is discharged on the second day, the discharge day services are coded with the observation care discharge code. No observation discharge code is allowed if the patient is admitted to observation status for less than 8 hours.

- In those instances where the patient is initially admitted to observation status, stays day 2 and is discharged on day 3, the second day services are billed using the subsequent office/outpatient visit codes. The hospital inpatient codes are not applicable as the patient is not an inpatient.

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- If the patient requires observation care during the postoperative period, the global surgical fee includes payment for observation care related to the surgical procedure.

Inpatient Services:

- Payment is only allowed for one Evaluation and Management code per practice, per specialty type, per date of service.
- Initial services apply to a new or established patient admitted to a hospital inpatient setting or in a "partial hospital" setting.
- Reimbursement includes physician services provided to the patient observation status on the same date as inpatient Evaluation and Management service.
- If the patient is admitted from the office or another department of the hospital, any services that were provided in addition to the inpatient stay services are considered to be a part of the initial care when performed on the same date of service by the same provider.
- If the patient is admitted and discharged from inpatient status on the same date, the appropriate coding section include codes 99234-99236, Observation or Inpatient Care Services (Including Admission and Discharge Services).
- When a patient is admitted and discharged on the same day, only the initial hospital care code should be reported by the admitting provider. This code includes any prior observation status services provided on the same day by the admitting provider.
- Subsequent services are services rendered outside of the initial admitting date.

Prolonged Services:

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- Prolonged services (codes 99354-99359) with face to face contact and without face to face contact may be reimbursed by Neighborhood.

- Prolonged services are billed in addition to a base evaluation and management code.

- Prolonged services are time based codes.

- Prolonged services less than 30 minutes in duration are not billable and should not be reported. The service is considered inclusive in the allowance for the base evaluation and management code billed.

- The patient chart should clearly indicate the time spent with the patient face to face or without direct patient contact.

- The prolonged service time measurement does not have to be continuous.

- Only one prolonged care code can be billed per day by the same physician or qualified health professional.

- Notes may be requested to consider for additional reimbursement.

- These guidelines apply to both CMS-1500 and UB-92 claim submissions.
- These guidelines apply to all places of service where evaluation and management codes are utilized.

Please refer to Neighborhood's provider website at http://www.nhpri.org for specific

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provisions by product line.

This guideline is not a guarantee of reimbursement. Plan coverage, eligibility and claim payment edit rules may apply.

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