



Evaluation and Management (E/M) Codes and Psychotherapy: Documenting Your Work

Overview: Patients with psychiatric diagnoses may receive a medical E/M service on the same day as a psychotherapy service by the same physician or other qualified health care professional (QHP). To report both E/M and psychotherapy, the two services must be significant and separately identifiable. You may report these services with an appropriate E/M code and an add-on code specifically for psychotherapy when performed with an E/M service (90833, 90836, 90838). Standalone psychotherapy codes (90832, 90834, 90837) should not be used in conjunction with an E/M service. The medical and psychotherapeutic components of the service should be separately identified within the progress note (within the same progress note is acceptable) and should include the following information.

Documentation of E/M services:

Effective 1/1/2023, hospital observation care codes (99217-99220, 99224-99226) are deleted, and code descriptors for hospital inpatient care codes (99221-99223, 99231-99233, 99238-99239) are revised to include inpatient or observation E/M services. Guidelines are now aligned with office or other outpatient E/M services to allow these codes to be selected based on the *total time* for E/M services on the date of the encounter or on the *level of medical decision making (MDM)* defined for each service. A medically appropriate history and physical examination, as determined by the treating provider, is included in the code descriptors, however, the level of history and exam are no longer used to determine the level of E/M service. Note: E/M services that are billed with a psychotherapy add-on code (90833, 90836, 90838) cannot be billed by time and must be based on MDM components.

- **Total time** includes *face-to-face and non-face-to-face time* personally spent by the physician or other QHP on the date of the encounter. Code descriptions specify the time that must be met or exceeded.
 - Includes time for activities such as preparing to see the patient, obtaining a history, performing an exam, providing counseling or education, preparing orders, independently interpreting tests or coordinating care (if not separately reported) and documenting the health record
 - Excludes time for activities performed by clinical staff, time spent performing separately reportable procedures, travel time or general teaching time
- **MDM elements:** The four levels of MDM include straightforward, low, moderate, or high complexity. To qualify for a given level of decision-making, 2 of 3 MDM elements must be met or exceeded
 1. Number and complexity of problem(s) that are addressed during the encounter
 2. Amount and/or complexity of data to be reviewed and analyzed
 3. Risk of complications and/or morbidity or mortality of patient management

For more details on time or MDM, including definitions and examples, refer to the CPT 2023 E/M Services Guidelines. Prior to 1/1/2023, hospital inpatient or observation care codes are based on three key components (history, exam and MDM) or time if counseling and/or coordination of care dominate the visit. Refer to the guidelines appropriate to your date of service.

Documentation of psychotherapy services

The appropriate psychotherapy add-on code is selected based on the **face-to-face time** of the psychotherapeutic intervention. Documentation must support that the add-on psychotherapy service is provided in *addition* to the E/M service (significant and separately identifiable). A separate diagnosis is *not* required to report the E/M and psychotherapy service on the same date. For more details, see our Behavioral Health Services Documentation Requirements Reimbursement Policy.

- Document the **time** spent providing face-to-face psychotherapy (include start and stop times or total time of session for time-based codes)
- Do *not* include any of the time devoted to the E/M service (i.e., time spent on history, examination, or MDM).
- Include a description of the type and content of the psychotherapy provided: Therapy intervention techniques, patient's progress and response to treatment, and any additional attendees.

ONE EXAMPLE - NEW PATIENT E/M PLUS PSYCHOTHERAPY PROGRESS NOTE

Patient Identifier: _____

Date: _____

Diagnosis: _____

E/M:

History: _____

Examination: _____

Medical Decision Making: _____

Psychotherapy:

Time spent on psychotherapy services only: _____

[Include description of type & content of psychotherapy provided]

List additional attendees, if any: _____

Legible Signature of Practitioner, Degree, Licensure: _____

Resources:

This overview and reminder of E/M coding guidelines is provided to help support continued improvements. Please review these additional resources for more details:

- **Optum Reimbursement Policies:** [Behavioral Health Services Documentation Requirements Reimbursement Policy](#)
- **Optum Training and Education Materials:** [E/M Coding Office-Based Services](#), [E/M Initial & Subsequent Hospital Inpatient or Observation Care](#), [E/M Initial Observation Care \(prior to 1/1/2023\)](#), and [E/M Hospital Inpatient or Observation \(including admission and discharge\)](#)
- **American Psychiatric Association (APA):** [CPT Coding and Reimbursement](#)
- **American Medical Association (AMA):** [CPT® Evaluation and Management](#) and CPT Manual > Evaluation and Management (E/M) Guidelines
- **CMS Medicare Claims Processing Manual:** [Internet-Only Manual \(IOM\) 100-04, Ch. 12, Sect. 30.6](#), [Evaluation and Management Services Guide](#); [1995 Documentation Guidelines](#) and [1997 Documentation Guidelines](#)

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