



Hospital Inpatient or Observation Care (Including Admission and Discharge Services) Evaluation & Management Coding

Hospital inpatient or observation care codes (including admission and discharge services) 99234-99236 are used to report hospital care provided to patients admitted and discharged on the same date of service in *either* an inpatient or observation setting.

Prior to 1/1/2023, the level of service for codes 99234-99236 is based on the three key components of history, examination and medical decision making (MDM) with time *only* used as the determining factor if counseling and/or coordination of care dominate the visit. Refer to the CPT® E/M Guidelines appropriate for your date of service for details.

Effective 1/1/2023, the level of service for codes 99234-99236 may be based on *total time* on the date of the encounter or on the *single key component* of MDM. 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 examination are no longer used when determining 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 billed based on MDM components.

- **Total time** for reporting these services 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:** 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**
 - A problem is considered to be addressed or managed when it is evaluated or treated at the encounter by the physician reporting the service
 - 2. Amount and/or complexity of data to be reviewed and analyzed**
 - Data include medical records, tests, and/or other information that must be obtained, ordered, reviewed, and analyzed for the encounter (excluding interpretations that are separately reported)
 - 3. Risk of complications and/or morbidity or mortality of patient management**
 - Risk is described as the probability and/or consequences of an event. For the purposes of MDM, the level of risk is based on consequences of the problem(s) addressed at the encounter when appropriately treated. Risk also includes MDM related to the need to initiate or forego further testing, treatment, and/or hospitalization.

For more details on time or MDM, including definitions and examples, refer to the CPT 2023 E/M Services Guidelines.

Medical Decision-Making (MDM) Elements			Decision	
Number & complexity of problems addressed	Amount and/or complexity of data reviewed/analyzed	Risk of complications and/or morbidity/mortality	Level of MDM (meets or exceeds 2 of 3 elements)	Code (time in minutes)
Minimal	Minimal or none	Minimal	Straightforward	99234 (45)
Low	Limited	Low	Low complexity	
Moderate	Moderate	Moderate	Moderate complexity	99235 (70)
High	Extensive	High	High complexity	99236 (85)

Code notes: 99234-99236, hospital inpatient or observation care, are reported for the evaluation and management of a patient including admission and discharge on the same date (a minimum of 8 hours but less than 24 hours). These codes require two or more encounters on the same date including an initial inpatient/observation admission encounter and a separate discharge encounter. For a patient admitted and discharged at the same encounter (i.e., one encounter), see 99221, 99222, 99223.

- These codes include all E/M services provided by the admitting physician or other QHP on the same date, even when initiated in another setting (e.g., emergency department, nursing facility, office, etc.). The level of observation or inpatient hospital E/M code reported should reflect the combined services.
- Observation status includes the supervision of the care plan for observation as well as periodic reassessments. The

patient is not required to be physically located in a designated observation area within a hospital to report these codes.

Consultation services:

- **Effective 1/1/2010**, the CPT® consultation codes (99241-99245 and 99251-99255) are no longer recognized for Medicare Part B payment. Effective for services furnished on or after 1/1/2010, providers should code a patient E/M visit with an E/M code that represents where the visit occurs and that identifies the complexity of the visit performed.
- **Effective for claims with dates of service on or after 3/1/2020**, Optum aligns with CMS and does not reimburse consultation services procedure codes 99241-99245, 99251-99255, including when performed via telehealth. See the Optum Consultation Services Reimbursement Policy for details.

Prolonged E/M services:

Prolonged services are reimbursed when the primary E/M service is selected based on time. Optum requires providers to list the appropriate start and stop time for prolonged services codes in the medical record in order to determine the appropriate type of prolonged services.

Effective 1/1/2023:

- New prolonged service codes 99418 and G0317 are available to report 15-minute increments of prolonged services with or without direct patient contact on the date of a hospital inpatient/observation E/M service (less than 15 minutes is not reported)
- Prolonged service codes 99354-99357 are deleted, and codes 99358-99359 are revised to represent prolonged services without direct patient contact that occurs on a date *other* than the related face-to-face E/M service with the patient and/or family or caregiver. For prior dates of service, these codes may also be reported for non-face-to-face services provided on the same date as a related E/M service (except office E/M visits 99202-99205 or 99212-99215).
 - Report 99358 only once per date for the first hour of prolonged service (less than 30 minutes is not reported).
 - Report 99359 for each additional 30 minutes beyond the first hour or for the final 15 to 30 minutes of prolonged service on a given date (less than 15 minutes beyond the first hour/final 30 minutes is not reported separately).

To report 15-minute increments of prolonged E/M services with or without direct patient contact provided on the same date as an outpatient E/M service (99205, 99215), see codes 99417 or G2212. To report prolonged face-to-face clinical staff services provided in an office/outpatient setting with physician supervision, see codes 99415-99416. Refer to the Optum Prolonged Services Reimbursement Policy for details.

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:** [Consultation Services Reimbursement Policy](#), [Prolonged Services Reimbursement Policy](#) and [Same Day Same Service Reimbursement Policy](#)
- **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](#)

Insurance coverage provided by or through UnitedHealthcare Insurance Company, All Savers Insurance Company, or its affiliates. Health plan coverage provided by UnitedHealthcare of Arizona, Inc., UHC of California DBA UnitedHealthcare of California, UnitedHealthcare Benefits Plan of California, UnitedHealthcare of Colorado, Inc., UnitedHealthcare of Oklahoma, Inc., UnitedHealthcare of Oregon, Inc., UnitedHealthcare of Texas, LLC, UnitedHealthcare Benefits of Texas, Inc., UnitedHealthcare of Utah, Inc. and UnitedHealthcare of Washington, Inc. or other affiliates. Administrative services provided by United HealthCare Services, Inc., OptumRx, OptumHealth Care Solutions, Inc., or its affiliates. Behavioral health products are provided by U.S. Behavioral Health Plan, California (USBHPC), United Behavioral Health (UBH) or its affiliates.

© 2023 Optum, Inc. All Rights Reserved

BH4651b_02/2023 United Behavioral Health and United Behavioral Health of New York, I.P.A., Inc. operating under the brand Optum U.S. Behavioral Health Plan, California doing business as OptumHealth Behavioral Solutions of California