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PAYMENT POLICY ID NUMBER 21-075

Original Effective Date: 09/16/2021

Revised: 09/14/2023

Hospital Inpatient or Observation Discharge Policy

THIS PAYMENT POLICY IS NOT AN AUTHORIZATION, CERTIFICATION, EXPLANATION OF BENEFITS, A GUARANTEE OF PAYMENT, NOR DOES IT SUBSTITUTE FOR OR CONSTITUTE MEDICAL ADVICE. ALL MEDICAL DECISIONS ARE SOLELY THE RESPONSIBILITY OF THE PATIENT AND PHYSICIAN. BENEFITS ARE DETERMINED BY THE GROUP CONTRACT, MEMBER BENEFIT BOOKLET, AND/OR INDIVIDUAL SUBSCRIBER CERTIFICATE IN EFFECT AT THE TIME SERVICES WERE RENDERED. THIS PAYMENT POLICY APPLIES TO ALL LINES OF BUSINESS AND PROVIDERS OF SERVICE. IT DOES NOT ADDRESS ALL POTENTIAL ISSUES RELATED TO PAYMENT FOR SERVICES PROVIDED TO FLORIDA BLUE MEMBERS AS LEGISLATIVE MANDATES, PROVIDER CONTRACT DOCUMENTS OF THE MEMBER'S BENEFIT COVERAGE MAY SUPERSEDE THIS POLICY.

DESCRIPTION:

Hospital Inpatient or Observation Care Services (including admission and discharge) CPT® codes 99234-99236 are used to report hospital inpatient or observation care services for a patient that is admitted and discharged on the same date of service. Effective January 1, 2023, CPT® codes 99234-99236 no longer require the three key components or reference typical face-to-face time. The appropriate level of Hospital Inpatient or Observation or Inpatient Hospital Care Services (including admission and discharge) services should be selected based on a medically appropriate history and/or examination and the level of the Medical Decision Making (MDM) as defined for each service or the total time for the E/M service performed on the date of the encounter.

CPT® defines Hospital Inpatient or Observation Discharge services codes 99238 and 99239 as E/M codes used to report the total duration of time spent by a physician or other qualified health care professional for final hospital or observation discharge of a patient, even if the time spent by the physician or other qualified health care profession on that date is not continuous. The codes include the final examination of the patient, discussion of the hospital stay, instructions for continuing care to all relevant caregivers, and preparation of discharge records, prescriptions, and referral forms.

This policy is intended to address Hospital Inpatient or Observation Discharge E/M services and applies to all services reported on a CMS-1500 form or its electronic equivalent. Services and subsequent payment are pursuant to the member's benefit plan document, medical necessity review, where applicable, and provider contract.

REIMBURSEMENT INFORMATION:

Hospital Inpatient or Observation Care Services (Including Admission and Discharge Services)

Hospital Inpatient or Observation Care (Including Admission and Discharge) codes 99234-99236 are used to report observation or initial hospital services for a patient that is admitted and discharged on the same date of service.

When a patient receives observation care or is admitted to inpatient hospital care for a minimum of 8 hours, but less than 24 hours, and is discharged on the same calendar date, Hospital Inpatient or Observation Care Services (Including Admission and Discharge Services) are reported.

Hospital Inpatient or Observation Discharge Services

Hospital Inpatient or Observation Discharge Services 99238 or 99239 is a face-to-face E/M service between the physician or other qualified health care professional who is responsible for discharge services and the patient.

The E/M discharge day management visit shall be reported for the date of the actual visit by the physician or Other Qualified Health Care Professional even if the patient is discharged from the facility on a different calendar date.

Only one hospital discharge day management service is payable per patient per hospital stay. Only the attending physician of record reports the discharge day management service. Physicians or Other Qualified Health Care Professional, other than the attending physician, who have been managing concurrent health care problems not primarily managed by the attending physician, and who are not acting on behalf of the attending physician, shall use Subsequent Hospital Care (CPT® code range 99231 - 99233) for a final visit.

If multiple claims are received with one of the hospital discharge day management service CPT® codes, the first claim received will be allowed and the subsequent claim(s) will be denied with instruction to rebill with the appropriate subsequent hospital care code. If, however, it is determined that the subsequent claim was the proper claim for the discharge service, then recovery of the first submission will be initiated with a request for such claim to be rebilled with the appropriate subsequent hospital care procedure.

BILLING/CODING INFORMATION:

CPT® Codes

The following codes may be used to describe Inpatient or Observation Care Services (Including Admission and Discharge Services):

Code	Descriptor
99234	Hospital Inpatient or Observation care, for the evaluation and management of a patient including admission and discharge on the same date which requires a medically appropriate history and/or examination and straightforward or low level of medical decision making. When using total time on the date of the encounter for code selection, 45 minutes must be met or exceeded.
99235	Hospital Inpatient or Observation care, for the evaluation and management of a patient including admission and discharge on the same date which requires a medically appropriate history and/or examination and moderate level of medical decision making. When using total time on the date of the encounter for code selection, 70 minutes must be met or exceeded.

99236	Hospital Inpatient or Observation care, for the evaluation and management of a patient including admission and discharge on the same date which requires a medically appropriate history and/or examination and high level of medical decision making. When using total time on the date of the encounter for code selection, 85 minutes must be met or exceeded.
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The following codes may be used to describe Hospital Discharge Day Management:

Code	Descriptor
99238	Hospital discharge day management; 30 minutes or less on the date of the encounter
99239	Hospital discharge day management; more than 30 minutes on the date of the encounter

RELATED MEDICAL COVERAGE GUIDELINES OR PAYMENT POLICIES:

N/A

REFERENCES:

1. American Medical Association, *Current Procedural Terminology (CPT®)*, Professional Edition.
2. Centers for Medicare & Medicaid Services website. Medicare Claims Processing Manual, Chapter 12 Physicians/Nonphysician Practitioners, Section 30.6.8 - Payment for Hospital Observation Services and Observation or Inpatient Care Services (Including Admission and Discharge Services) <https://www.cms.gov/regulations-and-guidance/guidance/manuals/downloads/clm104c12.pdf>
3. American Medical Association, *Current Procedural Terminology (CPT®) E/M Companion 2023*

GUIDELINE UPDATE INFORMATION:

09/16/2021	New policy established
01/01/2023	Revision – Policy revised to remove Observation Care Services as CPT® created one comprehensive subsection encompassing codes reported for inpatient or observation care. E/M descriptors revised for CPT® codes 99234-99236 and 99238-99239.
09/14/2023	Annual Review – References reviewed and updated.

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