COMPLIANCE ALERT

TO: Compliance Alert Distribution List
FROM: Maryann C. Palmeter, CPC, CENTO
       Director, Office of Physician Billing Compliance
SUBJECT: New CPT Codes for Subsequent Observation Care
DATE: January 12, 2011

Outpatient observation care services, generally, do not exceed 24 hours. However, some patients may require a second day of observation. In response to an increase in the number of observation services that extend beyond the initial day of service, the AMA's 2011 issue of CPT contains the following new procedure codes to be reported for subsequent outpatient observation care:

99224 Subsequent observation care, per day, for the evaluation and management of a patient which requires at least 2 of these 3 key components:
   • Problem focused interval history;
   • Problem focused examination;
   • Medical decision making that is straightforward or of low complexity

In regards to documentation needed to support the level of service, this procedure code corresponds with subsequent inpatient visit code 99231.

99225 Subsequent observation care, per day, for the evaluation and management of a patient which requires at least 2 of these 3 key components:
   • An expanded problem focused interval history;
   • An expanded problem focused examination;
   • Medical decision making of moderate complexity

In regards to documentation needed to support the level of service, this procedure code corresponds with subsequent inpatient visit code 99232.

99226 Subsequent observation care, per day, for the evaluation and management of a patient which requires at least 2 of these 3 key components:
   • A detailed interval history;
   • A detailed examination;
   • Medical decision making of high complexity
In regards to documentation needed to support the level of service, this procedure code corresponds with subsequent inpatient visit code 99233.

All levels of subsequent observation care include reviewing the patient’s medical record and reviewing the results of diagnostic studies and changes in the patient’s status (i.e., changes in history, physical condition, and response to management) since the last assessment by the physician or NPP.

These new codes are not to be reported on the date the patient is discharged from observation care. If the discharge takes place on a date subsequent to the admission to observation status, refer to procedure code 99217 – observation care discharge day management.

**Reminders**

With an *interval* history it is not necessary to record information about the Past, Family and Social History.

There must be a medical observation record for the patient which contains dated and timed physician’s or NPP’s orders regarding the observation services the patient is to receive, nursing notes, and progress notes prepared by the physician or NPP while the patient received observation services.

**Medicare Allowances**

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<th>Procedure Code</th>
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Florida Medicaid had not published its 2011 fee schedule as of the date of this alert.

Please feel free to contact the Office of Compliance at 244-2158 if you have any questions about these new procedure codes.

Cc: Robert C. Nuss, M.D.