



News Flash - Medicare Remit Easy Print (MREP) software allows professional providers and suppliers to view and print the Health Insurance Portability and Accountability Act (HIPAA) compliant 835. This software, which is available for free can be used to access and print RA information, including special reports, from the HIPAA 835. Please go to your Carrier or DME MAC's website to download the MREP software. To find your carrier or DME MAC's web address, see <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

MLN Matters Number: MM5791

Related Change Request (CR) #: 5791

Related CR Release Date: February 22, 2008

Effective Date: April 1, 2008

Related CR Transmittal #: R1466CP

Implementation Date: April 7, 2008

Payment for Hospital Observation Services (Codes 99217 - 99220) and Observation or Inpatient Care Services (Including Admission and Discharge Services - Codes 99234 - 99236)

Provider Types Affected

Physicians and qualified non-physician practitioners (NPPs), submitting claims to Medicare Administrative Contractors (A/B MACs) and carriers for hospital observation services provided to Medicare beneficiaries during a hospital visit.

Impact on Providers

Change Request (CR) 5791 alerts providers to updates regarding:

- Payment for Hospital Observation Services (Current Procedural Terminology (CPT) Codes 99217 - 99220); and
- Observation or Inpatient Care Services (Including Admission and Discharge Services – CPT Codes 99234 - 99236).

See the *Key Points* section of this article for a complete list of the updates.

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Background

This CR5791 updates Chapter 12, Section 30.6.8 of the Medicare Claims Processing Manual as finalized in the Medicare Physician Fee Schedule Final Rule, dated November 1, 2000, Vol.65, No. 212, pp. 65408 and 65409. The updated section of this manual is attached to CR5791 and the address/link to the CR is listed in the *Additional Information* section of this article.

Key Points

The payment policy requirements according to CR5791 are as follows:

- Physicians and qualified NPPs **should report** Initial Observation Care using a code from CPT code range 99218 – 99220 when the observation care is less than 8 hours on the same calendar date.
- Physicians and qualified NPPs **should not report** an Observation Care Discharge Service (CPT code 99217) when the observation care is less than 8 hours on the same calendar date.
- Physicians and qualified NPPs should report Initial Observation Care using a code from CPT code range 99218 – 99220 and an Observation Care Discharge Service (CPT code 99217) when the patient is admitted for observation care and discharged on a different calendar date.
- Physicians and qualified NPPs should report Observation or Inpatient Care Service (Including Admission and Discharge Service) using a code from CPT code range 99234 – 99236 when the patient is admitted for observation care for a minimum of 8 hours but less than 24 hours and discharged on the same calendar date.
- Physicians and qualified NPPs **should not report** Observation Care Discharge Service (CPT code 99217) when the observation care is a minimum of 8 hours and less than 24 hours and the patient is discharged on the same calendar date.
- Physicians and qualified NPPs should report Office or Other Outpatient Visit using a code from CPT code range 99211 – 99215 for a visit before the discharge date in those rare instances when a patient is held in observation care status for more than two calendar dates.
- Physicians and qualified NPPs should document the medical record to satisfy the evaluation and management guidelines for admission to and discharge from observation care or inpatient hospital care.
- Physicians and qualified NPPs should note that the documentation requirements for history, examination and medical decision making should be met.
- Physicians and qualified NPPs should document his/her physical presence.
- Physicians and qualified NPPs should document his/her personal provision of observation care.

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- Physicians and qualified NPPs should document the number of hours the patient remained in the observation care status.
- The physicians and qualified NPPs should personally document the admission and discharge notes.

Additional Information

You may see the official instruction (CR5791) issued to your Medicare A/B MAC or carrier, or FI by going to <http://www.cms.hhs.gov/Transmittals/downloads/R1466CP.pdf> on the CMS website.

If you have questions, please contact your Medicare A/B MAC or carrier at their toll-free number which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

News Flash - It's Not Too Late to Give and Get the Flu Shot! In the U.S., the peak of flu season typically occurs anywhere from late December through March; however, flu season can last as late as May. Each office visit presents an opportunity for you to talk with your patients about the importance of getting an annual flu shot and a one time pneumococcal vaccination. Protect yourself, your patients, and your family and friends by getting and giving the flu shot. **Don't Get the Flu. Don't Give the Flu. Get Vaccinated!** Remember - Influenza and pneumococcal vaccinations and their administration are covered Part B benefits. Note that influenza and pneumococcal vaccines are NOT Part D covered drugs. You and your staff can learn more about Medicare's coverage of adult immunizations and related provider education resources, by reviewing Special Edition MLN Matters article SE0748 at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0748.pdf> on the CMS website.

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