



Hospital Inpatient and Observation Coding Guidelines

Initial Hospital Services – Place of Service (POS): 21- Inpatient Hospital

3 out of 3 components of History, Exam, and Medical Decision Making (MDM) must be met. Services provided to a new or established patient.

- Only one physician can be the admitting physician and only the admitting physician can use codes 99221-99223 along with an AI modifier. (AI modifier is Medicare only)
- All other providers should bill the inpatient E/M codes that describe their participation in the patient's care (i.e., subsequent hospital visit or inpatient consultation)
- When performed on the same date as the admission, all other outpatient services provided by the physician in conjunction with that admission are considered part of the initial hospital care
- If the patient is seen in the office on one day, and admitted on the next day (even if <24 hours have elapsed) by the same physician, code both the office visit and initial hospital visit

Code	History	Exam	MDM	Comments
99221	Detailed or comprehensive	Detailed or comprehensive	Straightforward or low	Usually presenting problem(s) are of low severity. Typically, 30 minutes are spent at the bedside and on the patient's hospital floor or unit.
99222	Comprehensive	Comprehensive	Moderate	Usually presenting problem(s) are of moderate severity. Typically, 50 minutes are spent at the bedside and on the patient's hospital floor or unit.
99223	Comprehensive	Comprehensive	High	Usually presenting problem(s) are of high severity. Typically, 70 minutes are spent at the bedside and on the patient's hospital floor or unit.

Subsequent Hospital Services - POS: 21- Inpatient Hospital

2 out of 3 components of History, Exam, and Medical Decision Making (MDM) must be met. Codes 99231-99233 can be used by any provider to report subsequent inpatient services.

- The descriptors for these codes include the phrase “per day,” meaning care for the day.
 - ☐ If Provider A sees the patient in the morning and Provider B, who is covering for A, sees the same patient in the evening, the notes for both services are combined and only one subsequent hospital visit is coded.

Note: Providers should coordinate with each other regarding who will submit charge.

- ☐ If two physicians see the patient and they are in different specialties and are seeing the patient for different reasons (i.e., different diagnosis), then both may bill a subsequent hospital visit based on that physician's note and the medical necessity of the service.
- Select a code that reflects all services provided during the date of service.

Code	History	Exam	MDM	Comments
99231	Problem focused	Problem focused	Straightforward or low	Usually patient is stable, recovering, or improving. Typically, 15 minutes are spent at the bedside and on the patient's hospital floor or unit.
99232	Expanded problem-focused	Expanded problem-focused	Moderate	Usually patient is responding inadequately to therapy or experiencing a minor complication. Typically, 25 minutes are spent at the bedside and on the patient's hospital floor or unit.



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99233	Detailed	Detailed	High	Usually patient is unstable or has developed a significant complication or significant new problem. Typically, 35 minutes are spent at the bedside and on the patient's hospital floor or unit.
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Hospital Discharge Services - POS: 21- Inpatient Hospital

Codes 99238-99239 are used to report the total duration of time spent by the provider for final hospital discharge services.

- Only one hospital discharge service is coded per patient, per hospital stay
- Only the attending physician of record reports the discharge day code
- Discharge service is billed on the date of the actual visit by the provider even if the patient is discharged on a different calendar date
- Includes as appropriate:
 - Final patient exam
 - Discussion of the hospital stay
 - Instructions for continuing care
 - Preparation of discharge records, prescriptions, and referral forms
- Total time of the visit must be documented to support code assigned
- All other providers performing a final visit should code subsequent hospital care (99231–99233)

Code	Code Description	Comments
99238	Hospital discharge day management, 30 minutes or less	Total time of the visit must be documented to support code assigned
99239	Hospital discharge day management, more than 30 minutes	

Inpatient Consultation Services - POS: 21- Inpatient Hospital

3 out of 3 components of History, Exam, and Medical Decision Making (MDM) must be met. Services provided to a new or established patient.

- When an inpatient consultation is performed on a date that a patient is admitted to a hospital, all evaluation and management services provided by the consultant related to the admission are reported with the inpatient consultation service codes. (99251-99254)
- Only one consultation should be reported by a consultant per admission.
- Subsequent services during the same admission are reported using subsequent hospital care codes. (99231-99233)
- Use subsequent hospital care codes (99231-99233) to report transfer of care services.
- **The inpatient consultation codes are not accepted by Medicare.** Use initial hospital services code (99221-99223) instead.

Code	History	Exam	MDM	Comments
99251	Problem focused	Problem focused	Straightforward	Usually, the presenting problem(s) are self-limited or minor. Typically, 20 minutes are spent at the bedside and on the patient's hospital floor or unit.
99252	Problem focused	Problem focused	Straightforward	Usually, the presenting problem(s) are of low severity. Typically, 40 minutes are spent at the bedside and on the patient's hospital floor or unit.
99253	Detailed	Detailed	Low	Usually, the presenting problem(s) are of moderate severity. Typically, 55 minutes are spent at the bedside and on the patient's hospital floor or unit.
99254	Comprehensive	Comprehensive	Moderate	Usually, the presenting problem(s) are of moderate to high severity. Typically, 80 minutes are spent at



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				the bedside and on the patient's hospital floor or unit.
99255	Comprehensive	Comprehensive	High	Usually, the presenting problem(s) are of moderate to high severity. Typically, 110 minutes are spent at the bedside and on the patient's hospital floor or unit.

Initial Observation Services - POS: 22- On Campus-Outpatient Hospital

History, Exam, and Medical Decision Making (MDM) must meet or exceed the same level in order to assign a specific code (i.e., 3 out of 3 same level or higher).

- Billed only by the physician who admitted the patient to observation and was responsible for the patient during his/her stay.
- All other providers should bill the outpatient E/M codes that describe their participation in the patient's care (i.e., office and other outpatient service codes or outpatient consultation codes).

Code	History	Exam	MDM	Comments
99218	Problem focused	Problem focused	Straightforward or low	Usually patient is stable, recovering, or improving. Typically, 30 minutes are spent at the bedside and on the patient's hospital floor or unit.
99219	Expanded problem-focused	Expanded problem-focused	Moderate	Usually patient is responding inadequately to therapy or experiencing a minor complication. Typically, 50 minutes are spent at the bedside and on the patient's hospital floor or unit.
99220	Detailed	Detailed	High	Usually patient is unstable or has developed a significant complication or significant new problem. Typically, 70 minutes are spent at the bedside and on the patient's hospital floor or unit.

Subsequent Observation Care POS: 22- On Campus-Outpatient Hospital

2 out of 3 components of History, Exam, and Medical Decision Making (MDM) must be met.

- For observation care services on other than the initial or discharge date, report subsequent observation care codes.

Code	History	Exam	MDM	Comments
99224	Problem focused	Problem focused	Straightforward or low complexity	Usually, the patient is stable, recovering, or improving. Typically, 15 minutes are spent at the bedside and on the patient's hospital floor or unit
99225	Expanded problem-focused	Expanded problem-focused	Moderate	Usually, the patient is responding inadequately to therapy or has developed a minor complication. Typically, 25 minutes are spent at the bedside and on the patient's hospital floor or unit
99226	Detailed	Detailed	High	Usually, the patient is unstable or has developed a significant complication or a significant new problem. Typically, 35 minutes are spent at the bedside and on the patient's hospital floor or unit.

For Medicare patients seen in observation status for consultation services, report office E/M (99201-99205 or 99211-99215)



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Observation or Inpatient Hospital Care - POS: 21- Inpatient Hospital or POS: 22- On Campus-Outpatient Hospital

Codes 99234-99236 are used by a provider to report:

- Admitting and discharging a patient on the same calendar day for >8 hours but <24 hours,
or
- Placing a patient under observation and discharging the patient on the same calendar date for >8 hours but <24 hours

Code	History	Exam	MDM	Comments
99234	Detailed or comprehensive	Detailed or comprehensive	Straightforward or low	Usually problem(s) requiring admission are of low severity. Typically, 40 minutes are spent at the bedside and on the patient's hospital floor or unit.
99235	Comprehensive	Comprehensive	Moderate	Usually problem(s) requiring admission are of moderate severity. Typically, 50 minutes are spent at the bedside and on the patient's hospital floor or unit.
99236	Comprehensive	Comprehensive	High	Usually problem(s) requiring admission are of high severity. Typically, 55 minutes are spent at the bedside and on the patient's hospital floor or unit.

Observation Care Discharge Services POS: 22- On Campus-Outpatient Hospital

Code 99217 is used to report discharge services of a patient in observation status.

- Billed only by the physician who was responsible for observation care during this stay.
- Discharge service is billed on the date of the actual visit by the provider.
- Includes:
 - ☐ Final patient exam
 - ☐ Discussion of the hospital stay
 - ☐ Instructions for continuing care
 - ☐ Preparation of discharge records, prescriptions, and referral forms
- All other providers performing a final visit should use outpatient/office visit codes (99212-99215).
- Do not bill the hospital observation discharge management code (99217) if patient was admitted to inpatient status, use codes 99221-99223.

Code	Description	Comments
99217	Observation care discharge day management	Face-to-face time between the attending and the patient

Frequently Asked Questions

Question: If the patient was originally admitted under observation and then changed to Inpatient?

Answer: When the patient's condition requires inpatient admission on the same date that observation was initiated, you report an initial hospital care code (99221-99223) only. If the service occurred on different date of service, both services can be coded.

Question: What code does specialist submit for consultation inpatient Medicare patient?

Answer: Report Initial Hospital Services (99221-99223).