

Medicare

Hospital Observation Care

Initial Observation Visit

Payment for an initial observation care code is for care rendered by the ordering/admitting physician only on the date the patient's observation services began. All other physicians who furnish consultations, additional evaluations/services while the patient is receiving hospital outpatient observation services must bill the appropriate outpatient service codes.

Admitting physician: 99218-99220 (Observation Care - Initial - New or Established)

Consulting/all other physicians: 99201-99205 (Office or Other Outpatient Services – Initial)

Subsequent Observation Visits

Similar to initial observation codes, payment for a subsequent observation care code is for all the care rendered by the ordering/admitting physician on the day(s) other than the initial or discharge date. All other physicians who furnish consultations or additional evaluations or services while the patient is receiving hospital outpatient observation services must bill the appropriate outpatient service codes.

Admitting physician: 99224-99226 (Observation Care - Subsequent)

Consulting/all other physicians: 99211-99215 (Office or Other Outpatient Services -Established)

Hospital Inpatient Care

Initial Inpatient Visit

In the inpatient hospital setting all physicians who perform an initial evaluation may bill the initial hospital care codes. However, only one physician can be the admitting or principal physician of record. This physician is identified in Medicare as the physician who oversees the patient's care from other physicians who may be furnishing specialty care and shall append modifier “-AI” (Principal Physician of Record) in addition to the E/M code.

Admitting physician: 99221-99223 with AI modifier (Hospital Care - Initial - New or Established)

Consulting/all other physicians: 99221-99223 (Hospital Care - Initial - New or Established)

Subsequent Inpatient Visits

In the inpatient hospital setting all physicians may bill the most appropriate subsequent hospital care code (99231 and 99232). The principal physician of record, or admitting physician, shall append modifier “-AI” (Principal Physician of Record), in addition to the E/M code.

Admitting physician: 99231-99233 with AI modifier (Hospital Care - Subsequent)

Consulting/all other physicians: 99231-99233 (Hospital Care - Subsequent)

Commercial Payers

Hospital Observation Care

Initial Observation Visit

The CPT book has a different set of instructions from Medicare. Like Medicare, the Initial Observation Care codes 99218-99220 are reserved for the admitting physician only. Initial observation encounters by other physicians are billed using office consultation codes 99241-99245 or subsequent observation codes 99224-99226. Remember, in order to bill consult codes, the documentation must meet all the requirements necessary to support its use (see CPT description for consults). For plans that do not cover consult codes, only use the subsequent observation codes 99224-99226.

Admitting physician: initial 99218-99220 (Observation Care - Initial - New or Established)

Consulting/all other physicians: initial 99241-99245 (Office or Other Outpatient Consultations) or 99224-99226 (Observation Care - Subsequent)

Subsequent Observation Visits

For subsequent observation care services on other than the initial or discharge date, use the Subsequent Observation Care codes 99224-99226 as appropriate. Regardless of the CPT codes to be used, place of service code 22 should be used for observation claims.

Admitting physician and Consulting/all other physicians: 99224-99226 (Observation Care - Subsequent)

Hospital Inpatient Care

Initial Inpatient Visit

Per CPT, initial hospital care codes can only be billed by the admitting physician. All others must use the subsequent hospital care codes 99231-99233 or the initial inpatient consultation codes 99251-99255. CPT states that *“Initial Hospital Care codes 99221, 99222 and 99223 are used to report the first hospital inpatient encounter of a new or established patient by the admitting physician. For initial inpatient encounters by physicians other than the admitting physician, initial inpatient consultation codes (99251-99255) or subsequent hospital care codes (99231- 99233) as appropriate should be reported. Only one initial hospital care service is payable per patient per hospital stay. “*

Admitting physician: 99221-99223 (Hospital Care - Initial - New or Established)

Consulting/all other physicians: 99251-99255 (Inpatient Consultations) or 99231-99233 (Hospital Care - Subsequent)

Subsequent Inpatient Visits

Per CPT, for subsequent hospital visits both the admitting and the consulting or other physicians may bill the subsequent hospital care codes.

Admitting physician and Consulting/all other physicians: 99231-99233 (Hospital Care – Subsequent)

	Medicare		Commercial	
	Admitting Phy.	All Other Phys.	Admitting Phy.	All Other Phys.
	Observation			
Initial Visit	99218-99220	99201-99205	99218-99220	99224-99226 or 99241-99245*
Subsequent Visits	99224-99226	99211-99215	99224-99226	99224-99226
	Inpatient			
Initial Visit	99221-99223 with AI modifier	99221-99223	99221-99223	99231-99233 or 99251-99255*
Subsequent Visits	99231-99233 with AI modifier	99231-99233	99231-99233	99231-99233

*For payers that do not pay for consults, do not use the consult codes

- 99201-99205 Office or Other Outpatient Services - Initial
- 99211-99215 Office or Other Outpatient Services -Established
- 99218-99220 Observation Care - Initial - New or Established
- 99224-99226 Observation Care - Subsequent
- 99221-99223 Hospital Care - Initial - New or Established
- 99231-99233 Hospital Care - Subsequent
- 99241-99245 Office or Other Outpatient Consultations (only 1 allowed per admission)
- 99251-99255 Inpatient Consultations (only 1 allowed per admission)

This information is subject to change and should be independently verified.