

Hospital Services Billing Guide

In the 2023 CPT revisions, inpatient and observation coding, code descriptors, and documentation requirements were significantly revised as follows:

- Deletion of observation CPT codes (99217-99220, 99224-99226) and merged into the existing hospital care CPT codes (99221, 99222, 99223, 99221-99233, 99238-99239).
- Editorial revisions to the code descriptors to reflect the structure of total time on the date of the encounter or level of medical decision-making when selecting code level.
- Retention of revised Observation or Inpatient Care Services (Including Admission and Discharge Services) (99234-99236).
- Revision of guidelines.
- Level of service for inpatient and observation services is determined by time or medical decision making, in keeping with the 2021 revisions to E/M office visit codes 99202-99215.

Inpatient or Observation Services:

- Initial Inpatient or Observation Visit: 99221-99223

For Medicare only, the admitting or principal physician of record must append modifier “-AI” (Principal Physician of Record) in addition to the E/M code. This physician is identified in Medicare as the physician who oversees the patient’s care from other physicians who may be furnishing specialty care.

When a patient is transferred from observation to inpatient status, this does not constitute a new stay. As such, if you saw the patient in observation, you may not bill an initial service code when seeing the patient in the inpatient setting and must bill a subsequent service code.

Code	Time (minutes) prior to 2023	Time (minutes) Eff. 1/1/23
99221	30	40
99222	50	55
99223	70	75

- Subsequent Inpatient or Observation Visits: 99231-99223

As in the initial visit, for Medicare only, the admitting or principal physician of record must append modifier “-AI” (Principal Physician of Record) in addition to the E/M code.

Code	Time (minutes) prior to 2023	Time (minutes) Eff. 1/1/23
99231	15	25
99232	25	35
99233	35	50

- Admit and Discharge on same day: 99234-99236

Code	Time (minutes) prior to 2023	Time (minutes) Eff. 1/1/23
99234	40	45
99235	50	55
99236	55	70

- Discharge Services: 99238, 99239

Code	Time (minutes) prior to 2023	Time (minutes) Eff. 1/1/23
99238	≤ 30	≤ 30
99239	> 30	> 30

Consultation Services:

- Consultants Inpatient or Observation Visits: 99252-99255

For Medicare and other payors who do not cover consultations, consulting physicians must bill 99221-99223. Only one consultation may be billed by a consultant per admission. As such, subsequent consultation services during the same admission are reported using the subsequent inpatient or observation codes 99231-99223.

Code	Time (minutes) prior to 2023	Time (minutes) Eff. 1/1/23
99252	40	35
99253	55	45
99254	80	60
99255	110	80

Emergency Department Services:

- Emergency Department visits: 99281-99285
No distinction is made between new and established patients or initial and subsequent visits in the emergency department. An emergency department is defined as an organized *hospital-based* facility for the provision of unscheduled episodic services to patients who present for immediate medical attention. The facility must be available 24 hours a day. In addition, time is not a factor in the code descriptions and cannot be used to select a level of service.

Prolonged Services:

Use only when the level of the evaluation and management service code (ie, 99223, 99233, 99236, 99255) has been selected based on time (as opposed to MDM).

- 99418 for inpatient/observation with or without direct patient contact, each 15 mins.
- For Medicare use G0316*

*Medicare utilizes different threshold times to bill for prolonged services (see table on next slide). Prolonged codes should only be billed after the total time for the primary service is exceeded plus an additional 15 minutes described by the prolonged code.

Medicare time table:

Primary E/M Service	Prolonged Code*	Time Threshold to Report Prolonged	Count physician/NPP time spent within this time period (surveyed timeframe)
Initial IP/Obs. Visit (99223)	G0316	105 minutes	Date of visit
Subsequent IP/Obs. Visit (99233)	G0316	80 minutes	Date of visit
IP/Obs. Same-Day Admission/Discharge (99236)	G0316	125 minutes	Date of visit to 3 days after
IP/Obs. Discharge Day Management (99238-9)	n/a	n/a	n/a

Sources:

- [AMA CPT® Evaluation and Management \(E/M\) Code and Guideline Changes](#)
- [Medicare Claims Processing](#)

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