



Rational Physician Coding  
for Admission H&Ps  
and  
Observation Care  
Services

Redacted Version

Peter R. Jensen, MD, CPC

[www.EMuniversity.com](http://www.EMuniversity.com)

# Rational Physician Coding for Admission H&Ps and Observation Care Services



Peter R. Jensen, MD, CPSC

For clinically driven E/M coding education, go to  
[www.E/Muniversity.com](http://www.E/Muniversity.com)

## Goals

- Know the difference between H&Ps and Observation Care Services
- Learn the documentation requirements for H&P's and Observation Care Services
- Understand how to identify the highest ethical level of care based on the cognitive labor provided
- Perform the documentation in an efficient manner to ensure compliance and save time
- Maintain the focus on patient care

## H&Ps

- Accounted for a total of \$1,220,598,566 in allowed charges in 2003
- This adds up to 4.6% of E/M spending
- Three levels of care

	99221	\$66.50	
↻	99222	\$110.75	↻
	99223	\$154.00	

↑ 40%

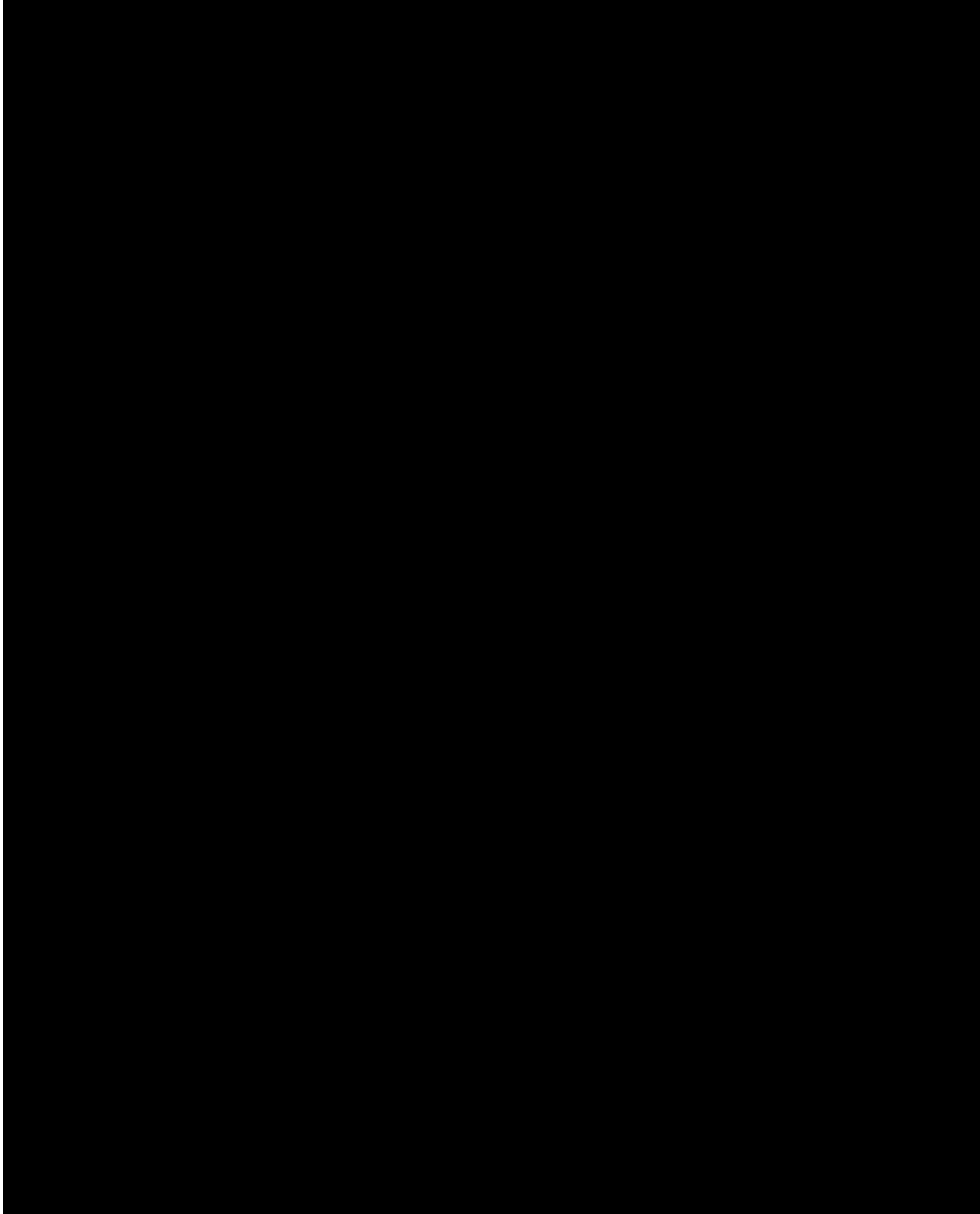
## H&Ps

### Key Components

E/M Code	History	Exam	MDM	Time
99221	Detailed	Detailed	SF/Low	30
99222	Comp	Comp	Moderate	50
99223	Comp	Comp	High	70

**3 out of 3 key components must qualify**

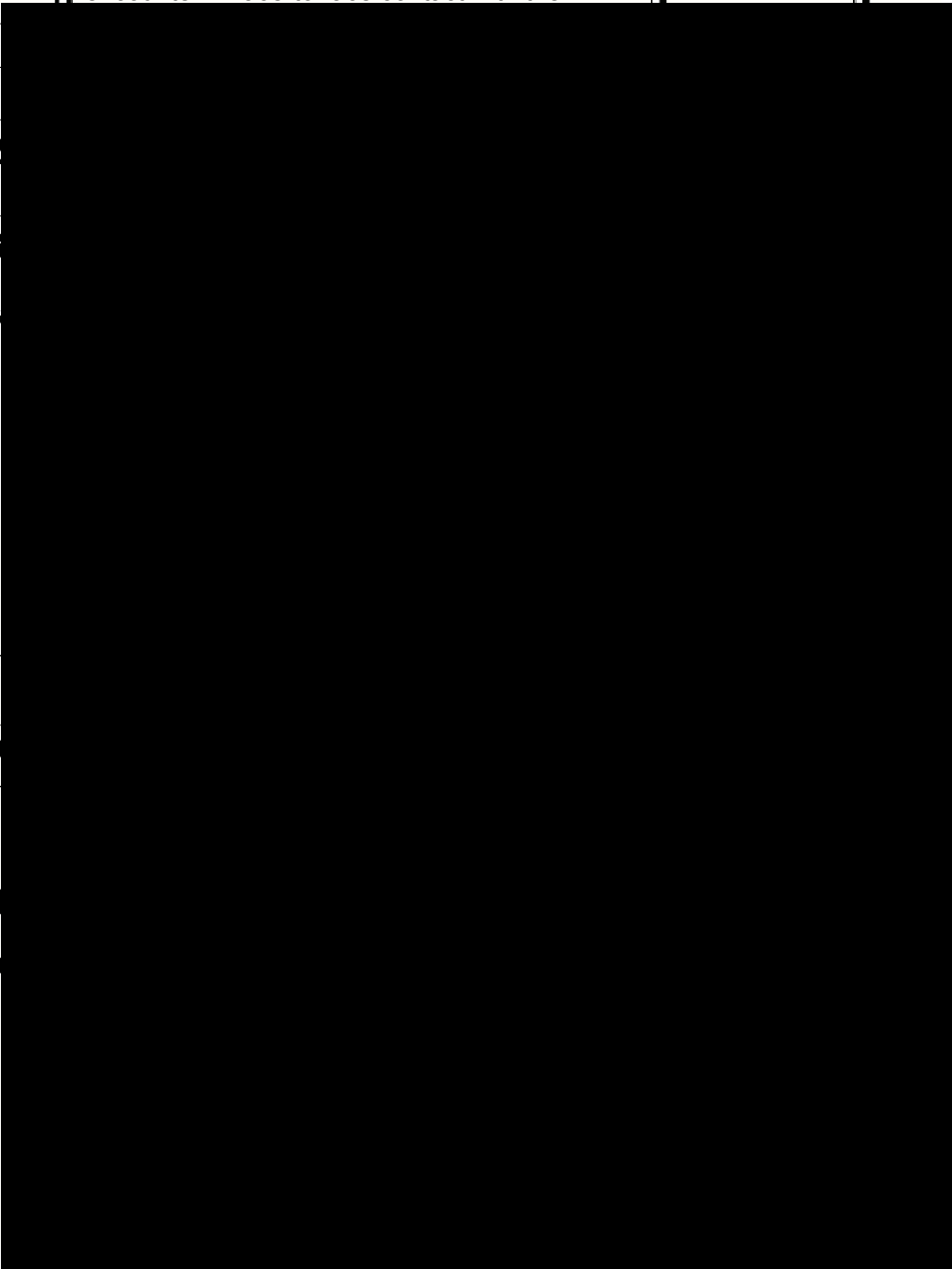
# Rational Physician Coding



asks?

# Coding Based on Time

## Admission H&Ps

E/M Code	Must spend the entire allotted time for the encounter in face-to-face contact with the	Time
99221		
99222		
99223		

E/

9

Re



99221

E/M Code	History	Exam	MDM	Time
99221	Det	Det	SF/Low	30

3 out of 3 key components must qualify

Detailed History

Hx	HPI	ROS	PFSH
PF	Brief	None	None
EPF	Brief	1	None
Det	Ext	2 - 9	1/3
Comp	Ext	10	3/3

Detailed Exam

Exam	Bullets
PF	1 - 5 from any systems
EPF	6 - 11 from any systems
Det	12 from any system
Comp	2 from 9 systems

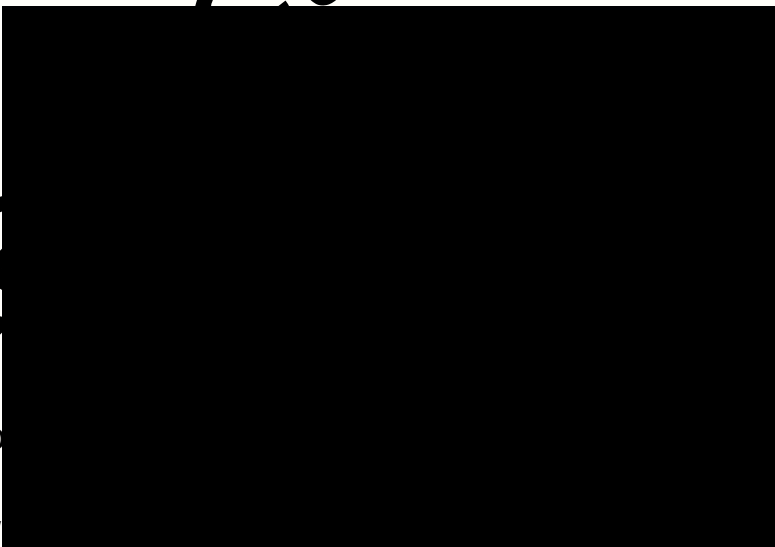
SF/Low Complexity MDM

MDM	Prob Pts	Data Pts	Risk
SF	1	0 - 1	Min
Low	2	2	Low
Mod	3	3	Mod
High	≥4	≥4	High

Requires two out of three

### What Does a 99221 Look Like?

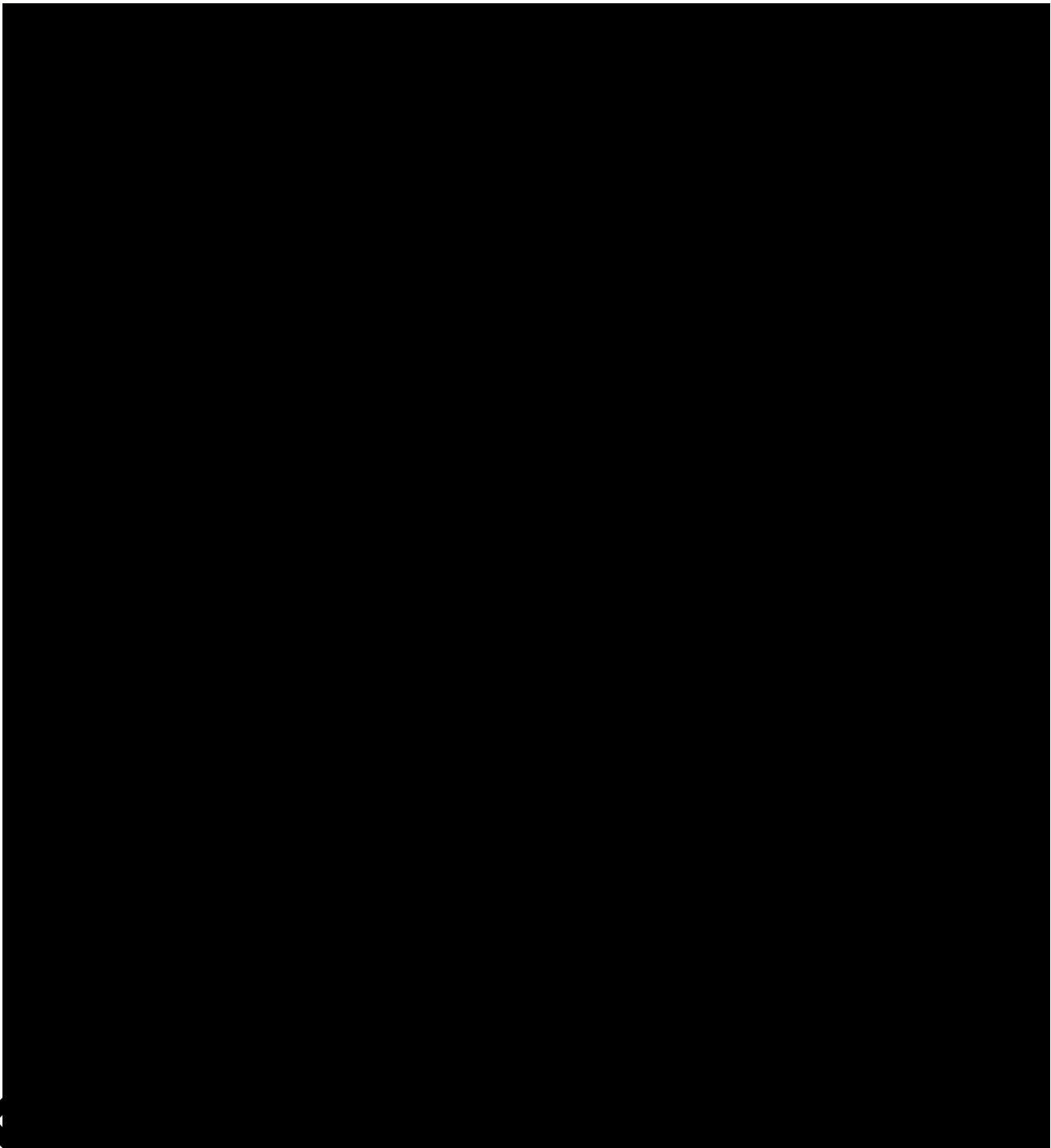
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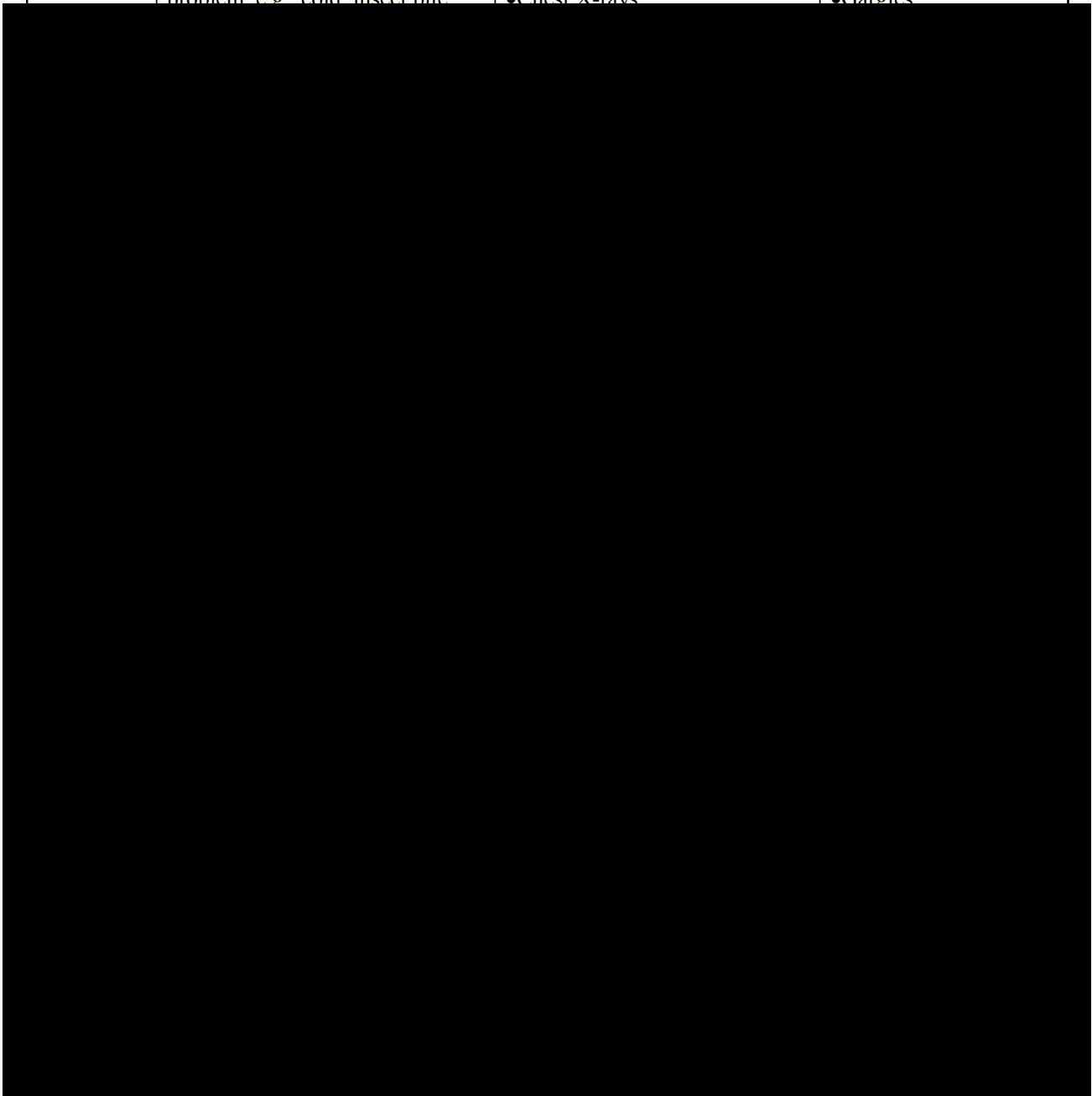
new problem, additional work-up planned	4
---	---

Total Points = 1

tracing, or specimen	
Decision to obtain old records	1
Review of old records	2

Total Points = 1

<b>Risk</b>	<b>Presenting Problems</b>	<b>Diagnostic Procedures</b>	<b>Management Options</b>
	<ul style="list-style-type: none"> <li>•One self-limited or minor problem e.g. cold, insect bite</li> </ul>	<ul style="list-style-type: none"> <li>•Laboratory tests</li> <li>•Chest X-rays</li> </ul>	<ul style="list-style-type: none"> <li>•Rest</li> <li>•Gargles</li> </ul>



High	4	4	High
------	---	---	------

**Need 2 out of 3 to qualify for given level of MDM**



## Selecting the Target Code

E/M Code	Category	Exam	MDM	Time
99221	Det	Det	SF/Low	30
99222	Comp	Comp		50
99223	Comp	Comp	High	70

3 out of 3 key components must qualify



99221

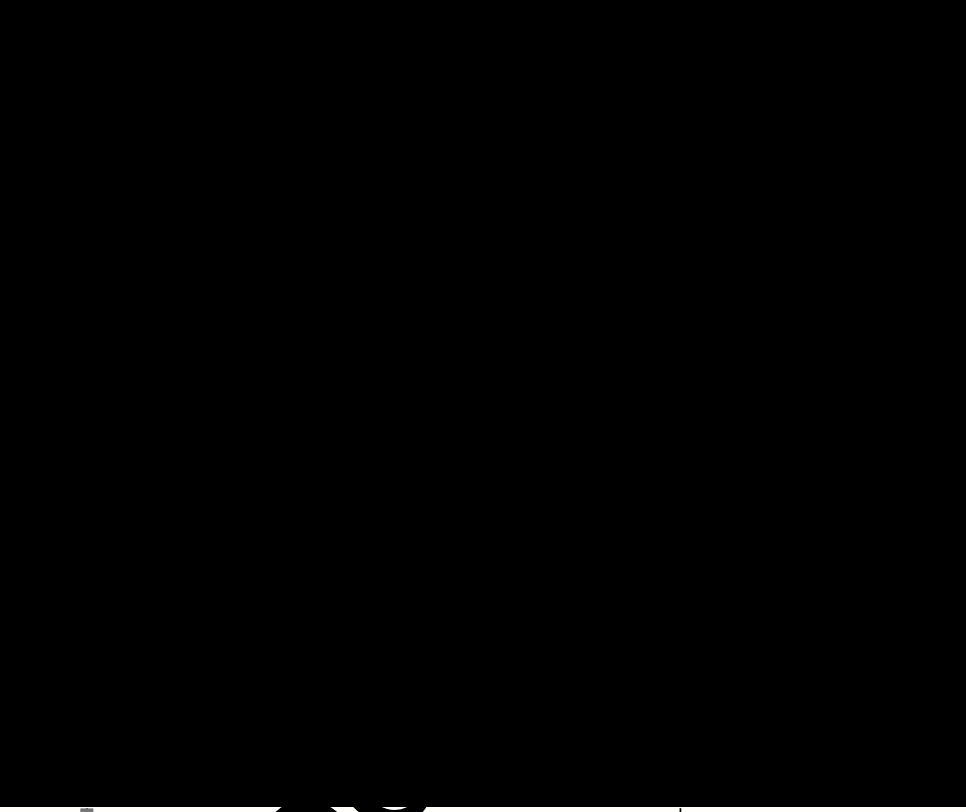
- Inter
- for
- 2003

This history  
Extended H  
and ONE el


3 o

Target Co			
99221	Det	Det	SF/Low <input checked="" type="checkbox"/>

## History

History	HPI	ROS	PFSH
<b>Detailed</b>			
CC: Rheuma			
HPI: The pati scheduled to hand stiffnes years and th			
Pertinent PF			
ROS    Mu CV			
<b>Target C</b>			
99221			

### E/M Insight: Detailed History

A detailed history requires and extended HPI (with four HPI elements or the status of three problems), 









 car-  
diovascular).

# Exam

Constitutional	Eyes	ENMT	Neck	Lungs	CV	GI	GU		
1	2		3	4	5	6	7	8	9
							Chest/Breasts		

Vital  
Gen  
Nec  
Lung  
CV:  
Abd:  
Ext:  
right

Ta

A detai  
ple abo



# Medical Decision-Making

Assessment: Stable polyarticular rheumatoid arthritis

Plan: 1. Admit to [redacted]  
[redacted]

[redacted]

[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

[redacted]

[redacted]

[redacted]

[redacted] all three dimensions of MDM. (The risk is actually *more* than enough.)



99221

CC: Rheumatoid arthritis

HPI: The patient is a pleasant 62 YOWF with stable rheumatoid arthritis

w  
st  
e  
d  
throplasty on She  
been gradually wors-  
ich she describes as a

P  
R  
placement on the left.

R  
lar joint pain  
opnea

V  
G  
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galy

CPs on the right  
OM

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- P
- 1
- 2
- 3
- 4

ersion



99222

E/M Code	History	Exam	MDM	Time
99222				

- Time
- Sec  
freq  
code  
enco
  - Rei  
abou



99222

E/M Code	History	Exam	MDM	Time
99222	Comp	Comp	Mod	50

3 out of 3 key components must qualify

Comprehensive History

Hx	HPI	ROS	PFSH
PF	Brief	None	None
EPF	Brief	1	None
Det	Ext	2 - 9	1/3
Comp	Ext	10	3/3

Comprehensive Exam

Exam	Bullets
PF	1 - 5 from any systems
EPF	6 - 11 from any systems
Det	12 from any systems
Comp	2 from 9 systems

Moderate Complexity MDM

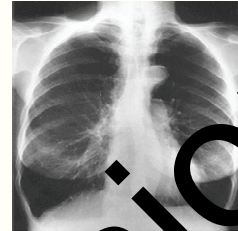
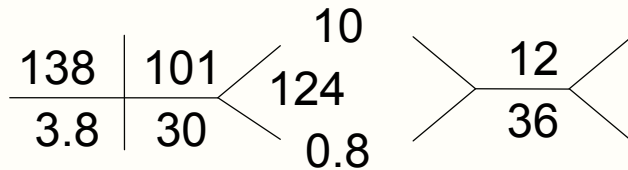
MDM	Prob Pts	Data Pts	Risk
SF	1	0 - 1	Min
Low	2	2	Low
Mod	3	3	Mod
High	≥4	≥4	High

Requires two out of three

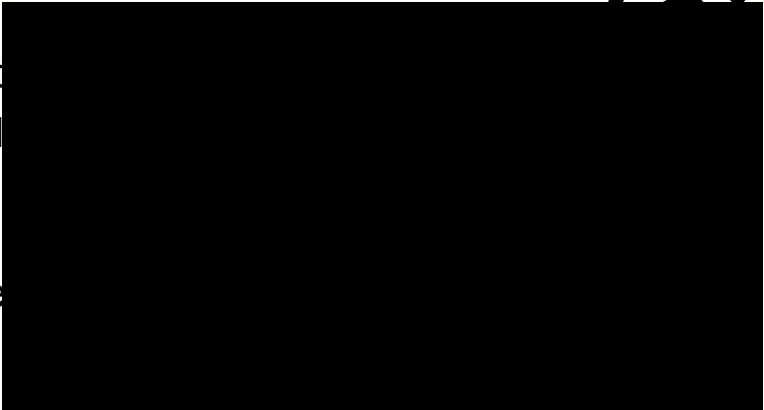
Redacted

## What Does a 99222 Look Like?

- You are called to see a patient of yours with COPD and stable HTN who presented to the ER with worsening SOB



- He remains in the ER, you decide to admit him to the hospital
- You order labs
- The ER physician documents the patient's condition
- What's the MDM for this visit?



### MDM Points

Problem / DDX	Pt
Self-limited or minor (Max 2)	
Established problem, stable	
Established problem, worsening	
New problem, no additional work-up planned	
New problem, additional work-up planned	

Total Points = 3



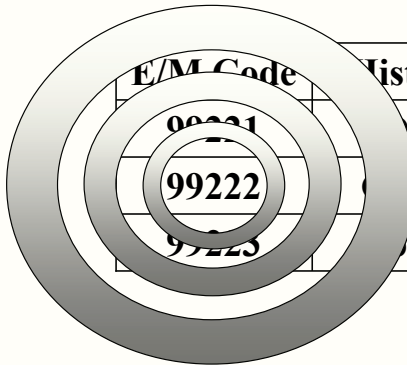
Total Points = 3

<b>Risk</b>	<b>Presenting Problems</b>	<b>Diagnostic Procedures</b>	<b>Management Options</b>
<b>Minimal</b>	<ul style="list-style-type: none"> <li>•One self-limited or minor problem, e.g., cold, insect bite, tinea corporis.</li> </ul>	<ul style="list-style-type: none"> <li>•Laboratory tests</li> <li>•Chest X-rays</li> <li>•EKG/EEG, Echocardiogram</li> </ul>	<ul style="list-style-type: none"> <li>•Rest</li> <li>•Gargles</li> <li>•Superficial dressings</li> </ul>
<b>Low</b>	<ul style="list-style-type: none"> <li>•Two or more self-limited or minor problems</li> <li>•One stable chronic illness</li> <li>•Acute uncomplicated injury or</li> </ul>	<ul style="list-style-type: none"> <li>•Physiologic tests not under stress, e.g., PFTs</li> <li>•Non-cardiovascular imaging studies with contrast</li> </ul>	<ul style="list-style-type: none"> <li>•Over the counter drugs</li> <li>•Minor surgery, with no risk factors</li> <li>•PT/OT</li> </ul>

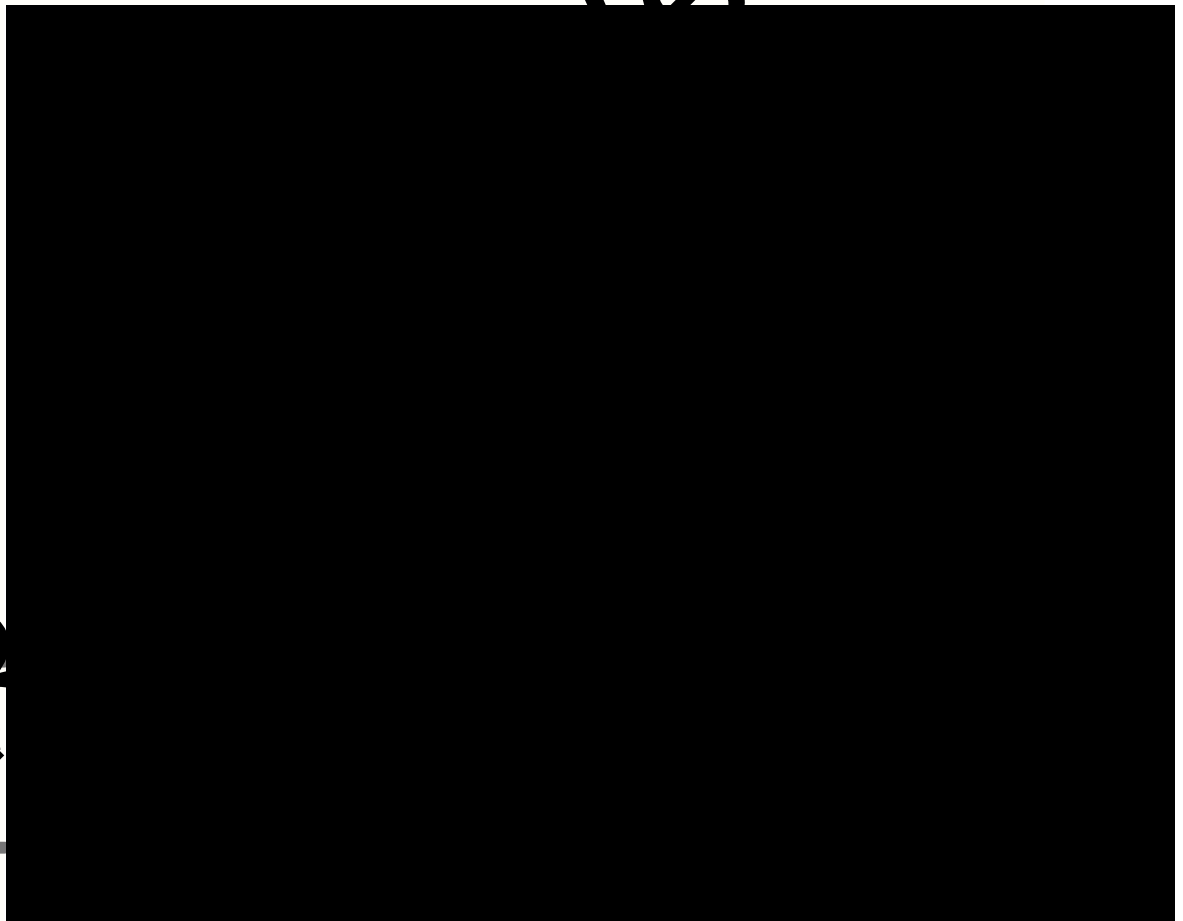
**Need 2 out of 3 to qualify for given level of MDM**



## Selecting the Target Code



E/M Code	History	Exam	MDM	Time
09221	Det	Det		30
99222	Comp	Comp	Mod	50
99223	Comp	Comp	Mod	70



Target Code	History	Exam	MDM
99222	Comp	Comp	Mod <input checked="" type="checkbox"/>

## History

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

ROS: Constitutional: + fatigue, - fevers/chills/anorexia  
Pulm: Positive for SOB and DOE; negative for hemoptysis  
CV: + intermittent lower extremity edema, -

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

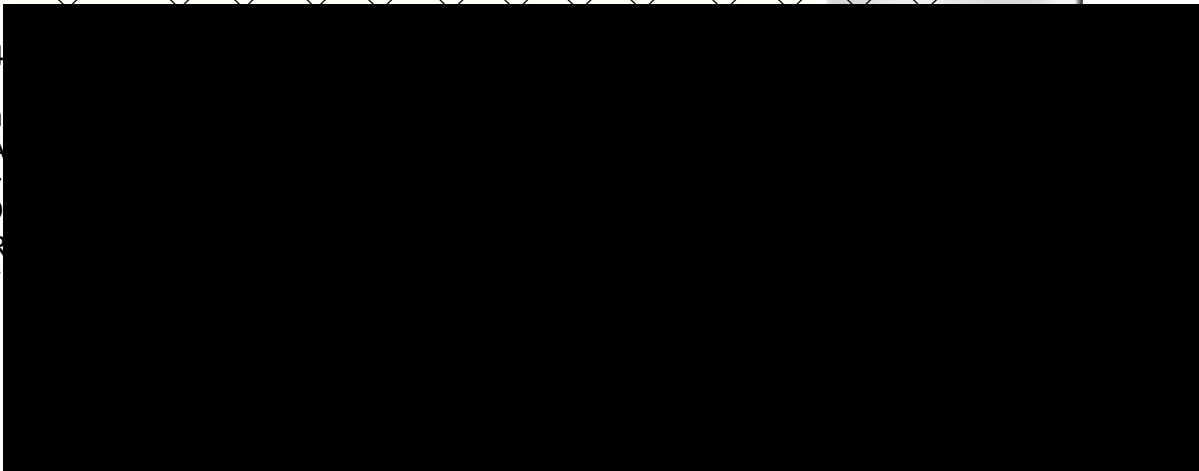
[REDACTED]

E/M shortcut, "All other systems reviewed and are negative."

## Exam

Constitutional		Eyes		ENMT		Neck		Lungs		CV		GI		GU
1	2	3	4	5	6	7	8	9	10	11	12	13	14	

Vitals: 14  
 General:  
 Eyes: an  
 HENT: A  
 Neck: Tr  
 Lungs: D  
 CV: RRR  
 Abd: Sof  
 Ext: No  
 Skin: No  
 Psych: A



NINE organ systems

Psychiatric

**3 out of 3 key components must qualify**

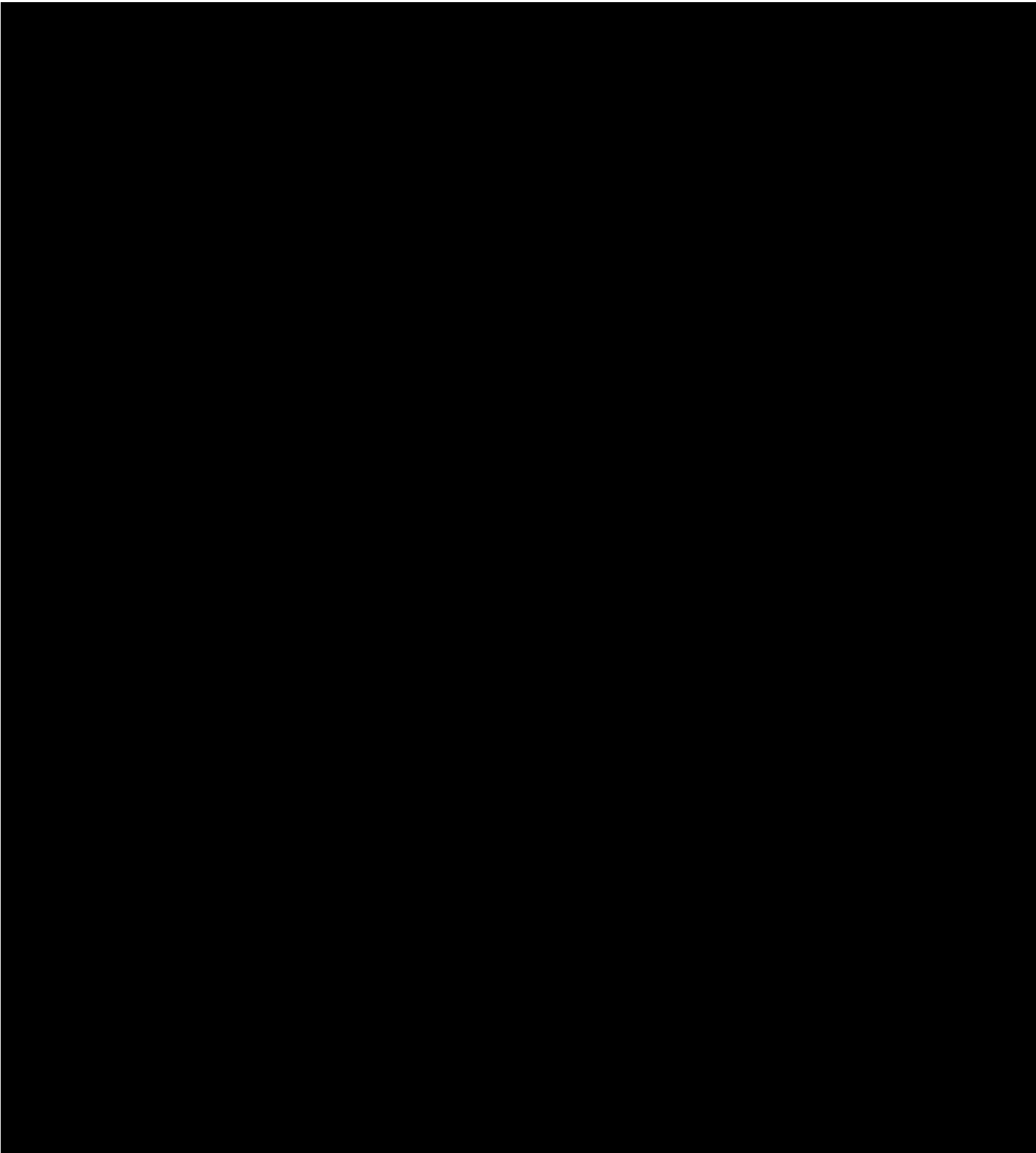
17 18

Target Code	History	Exam	MDM
99222	Comp	Comp	Mod

### E/M Insight: Comprehensive Exam

A comprehensive exam requires at least TWO b







99222

CC: Shortness of breath

HPI: The patient presents with shortness of breath which began yesterday. [redacted] since onset. [redacted] with [redacted]

PMH

SH:

FH:

grow

ROS



CV: + intermittent extremity edema - FNP  
All other systems reviewed and are negative.

Vitals:

Gen: A

Eyes:

HENT:

Neck:

Lungs:

CV: R

Abd: S

Ext: N

Skin: N

Psych:

Asses

Plan:

1. Sol

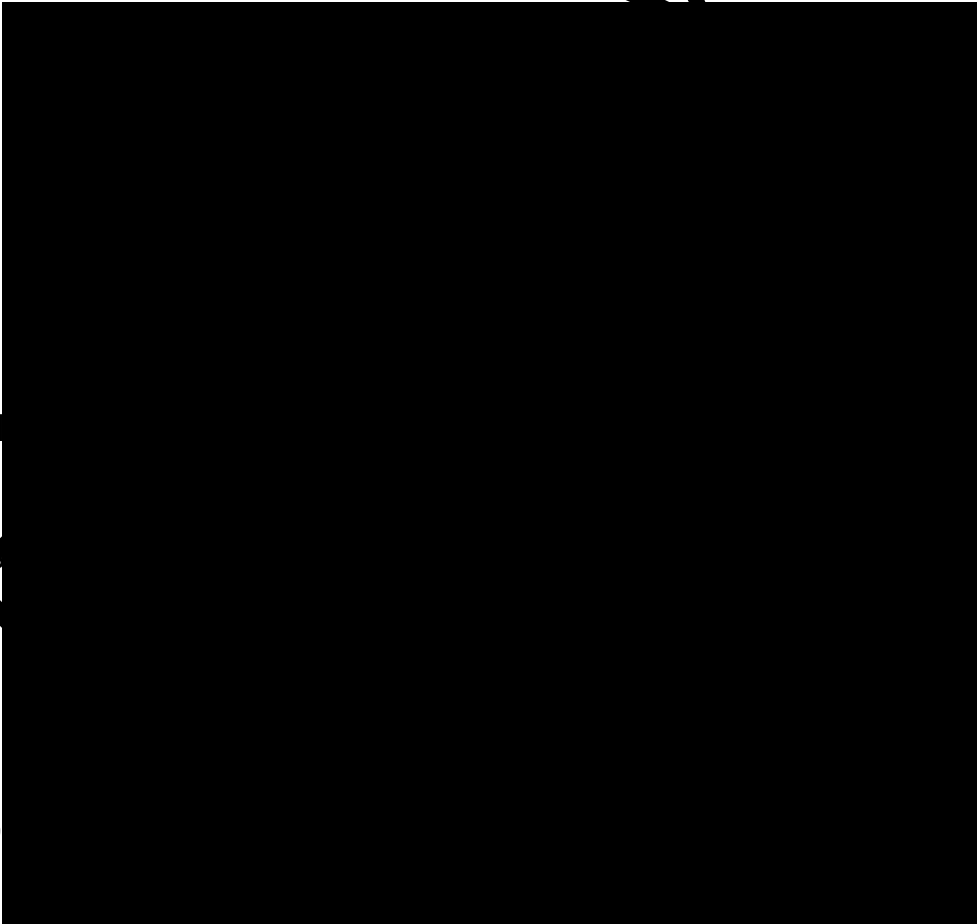
2. Alb

3. Atro

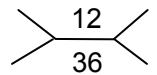
4. NC

5. Con

6. Repeat chem. 7 in a.m.



10  
124  
0.8



reviewed and  
per-inflation, but  
or CHF



99223

E/M Code	History	Exam	MDM	Time
99223	Comp	Comp	High	70

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frequ  
code  
enco
- Reim  
about



99223

E/M Code	History	Exam	MDM	Time
99223	Comp	Comp	High	70

3 out of 3 key components must qualify

Comprehensive History

Exam	PI	ROS	PFSH
PF	Brief	None	None
EPF	Brief	1	None
Det	Ext	2 - 9	1/3
Comp	Ext	10	3/3

Comprehensive Exam

Exam	Bullets
PF	1 - 5 from any systems
EPF	6 - 11 from any systems
Det	12 from any systems
Comp	2 from 9 systems

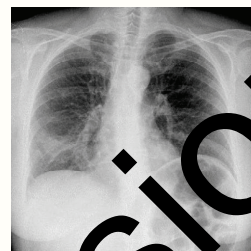
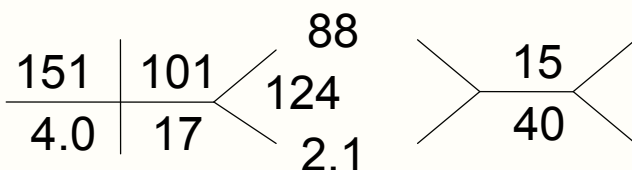
High Complexity MDM

MDM	Prob Pts	Data Pts	Risk
SF	1	0 - 1	Min
Low	2	2	Low
Mod	3	3	Mod
High	≥4	≥4	High

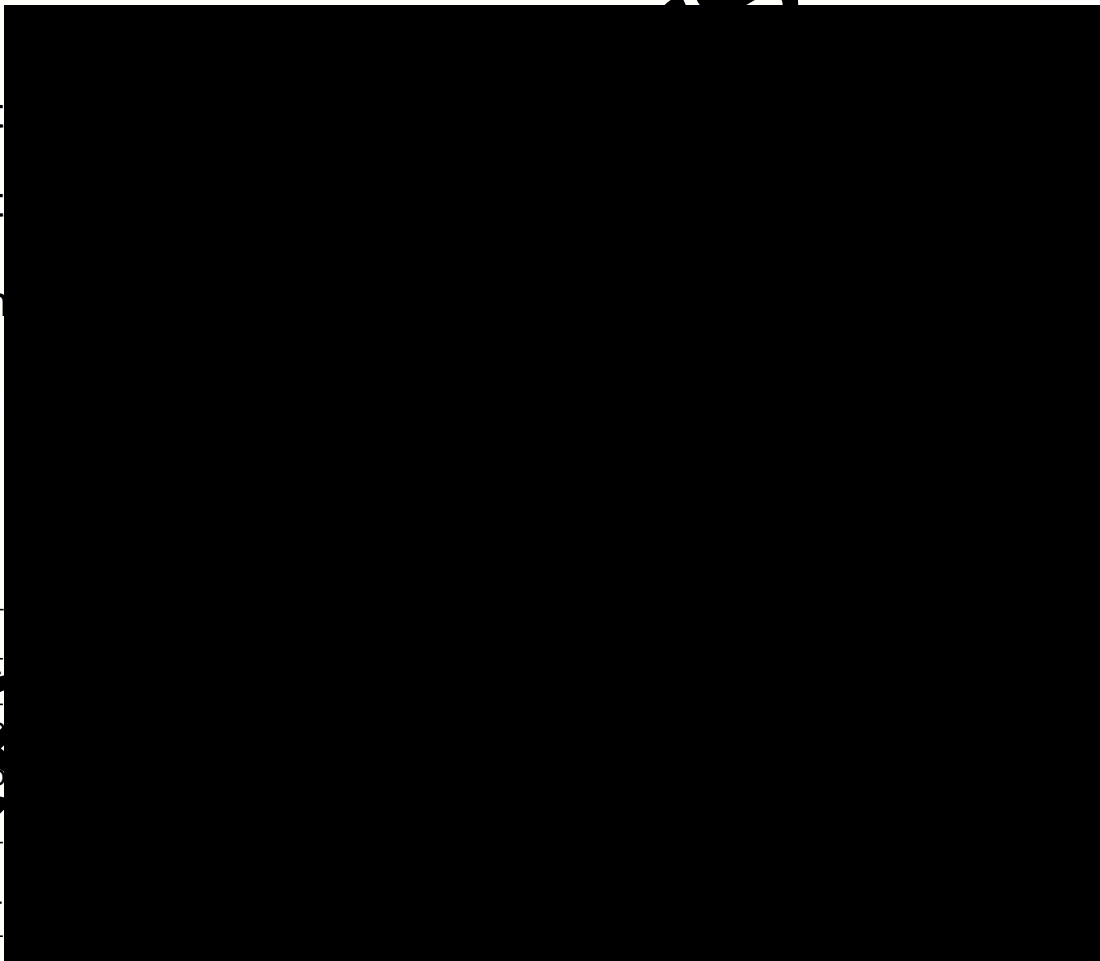
Requires two out of three

## What Does a 99223 Look Like?

- While on ER backup you are called to admit a NH resident for “confusion”
- CT of the head was read as “negative”



- You
- sp
- ant
- Th
- but
- Ti
- Wh



Self	
Estab	
Estab	
work-	
New	
work-	
New	
work-up planned	

Total Points = 7

Decision to obtain old records	1
Review of old records	2

Total Points = 4

<b>Risk</b>	<b>Presenting Problems</b>	<b>Diagnostic Procedures</b>	<b>Management Options</b>
<b>Minimal</b>	<ul style="list-style-type: none"> <li>•One self-limited or minor problem, e.g., cold, insect bite, tinea corporis.</li> </ul>	<ul style="list-style-type: none"> <li>•Laboratory tests</li> <li>•Chest X-rays</li> <li>•EKG/EEG, Echocardiogram</li> </ul>	<ul style="list-style-type: none"> <li>•Rest</li> <li>•Gargles</li> <li>•Superficial dressings</li> </ul>
<b>Low</b>	<ul style="list-style-type: none"> <li>•Two or more self-limited or minor problems</li> <li>•One stable chronic illness</li> <li>•Acute uncomplicated injury or illness, e.g., cystitis, allergic rhinitis, sprain</li> </ul>	<ul style="list-style-type: none"> <li>•Physiologic tests not under stress, e.g., PFTs</li> <li>•Non-cardiovascular imaging studies with contrast</li> <li>•ABG</li> <li>•Skin biopsies</li> </ul>	<ul style="list-style-type: none"> <li>•Over the counter drugs</li> <li>•Minor surgery, with no risk factors</li> <li>•PT/OT</li> <li>•IV fluids, without additives</li> </ul>
	<ul style="list-style-type: none"> <li>•One chronic illness, with mild</li> </ul>	<ul style="list-style-type: none"> <li>•Cardiac stress test</li> </ul>	<ul style="list-style-type: none"> <li>•Prescription drug</li> </ul>

**Need 2 out of 3 to qualify for given level of MDM**



## Selecting the Target Code

Target Code	History	Exam	MDM	Time
00221	Det	Det	SF/Low	3
00222	mp	Comp		5
9922				

3 out of 3

- Inter for 6
- 5,56 of \$8

The History  
Extended H  
and 3/3 ele

**3 out of 3 key components must qualify**

Target Code	History	Exam	MDM
99223	Comp	Comp	High <input checked="" type="checkbox"/>

## History

History	HPI	ROS	PFSH
Comp	Extended	10	3/3

CC: Altered mental status

HPI: This is a 79 YOWM NH resident with multiple medical problems, including well controlled HTN, stable IRDM and CAD who presents with increasing somnolence over the past few  
information

SH: Long tim

FH: per old  
premature C

ROS: Canno

Target C

99223

A comprehen  
one item from

The example

**HPI:** Comments on the status of the three problems, HTN, DM, CAD.

**PFSH:** At least one item from all three comp

which  
precludes obtaining a history."

# Exam

Constitutional		Eyes		ENMT		Neck		Lungs		CV		GI		GU
1	2	3	4	5	6	7	8	9	10	11	12	13	14	

Vit  
G  
Ey  
H  
N  
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C  
Ab  
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A co  
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The



- Lungs
- Auscultation of lungs
  - Percussion of lungs

- Psyche
- Assessment of affect
  - Assessment of insight/judgment

# Medical Decision-Making

Review an  
USA which  
of underlyi  
CXR: Revi  
Assessme

Plan:

<b>Target</b>
<b>9922</b>

Moderate c

- Four pro
- Four dat
- High risk

The examp

RC



99223

CC: Altered mental status

HPI: This is a 79 YOWM NH resident with multiple medical problems, including w  
creasing  
and una  
was obta

PMH: HT

SH: Lon

FH: Ther

ROS: Ca

Vitals: 14

Gen: Eld

Eyes: An

HENT: N

Neck: Tr

Lungs: A

CV: RRR

Abd: Sof

Ext: No

Skin: De

Psych: N

Assessm

Plan:

1. Zosyn
2. NS at
3. Slidin
4. Send
5. Hold
6. Repeat CBC and chem. 7 in a.m.

## Take-Home Messages: H&Ps

- Level
- (9922
- 66.50
- SF/L  
Com
- 4.1%



## Observation Care Services

E/M Code	History	Exam	MDM	Time
99218	Detailed	Detailed	SF/Low	NA
99219	Comp	Comp	Moderate	NA
99220	Comp	Comp	High	NA

E/M Code	History	Exam	MDM	Time
99234	Detailed	Detailed	SF/Low	NA
99235	Comp	Comp	Moderate	NA
99236	Comp	Comp	High	NA

Redacted View

## Observation Services

- Out
- De  
dia  
imp
- RO
- Ast
- Sim
- CH

- Initi
- Ob
- Ob

Rec

## Initial Observation Services

- 99218 1
- 99219 3
- 99220 4

**3 out of 3 key components must qualify**

E/M Code	History	Exam	MDM	Time
99218	Detailed	Detailed	SF/Low	NA
99219	Comp	Comp	Moderate	NA
99220	Comp	Comp	High	NA

## Observation/Discharge Services

- 9921
- This
- serv
- dat
- adm
- Rei
- inpa

## Observation and Discharge Services

- These visit both

E/M Code
99234
99235
99236

**3 out**

**Th**

- For administrative practice

Obs & DC
Level 1
Level 2
Level 3

**RECEIVED**

## Observation Patient with CHF

- CHF exacerbation admitted for observation on Thursday and will likely be discharged Friday
- Required Moderate Complexity MDM

### Initial Observation Care

E/M Code	History	Exam	MDM	Time
99218	Detailed	Detailed	SE/Low	15A
99219	Comp	Comp	Mod	15A
99220	Comp	Comp	Mod	15A

### Coding these Services

- Thursday initial observation care: 99219

Total re

### 3 out of 3 key components must qualify

Target Code	History	Exam	MDM
99219	Comp <input checked="" type="checkbox"/>	Comp <input checked="" type="checkbox"/>	Mod <input checked="" type="checkbox"/>

# A Healthier Observation Patient with CHF

- CHF exacerbation admitted for observation on Thursday and then discharged
- Required

E/M Code
99234
99235
99236

- Thursday service

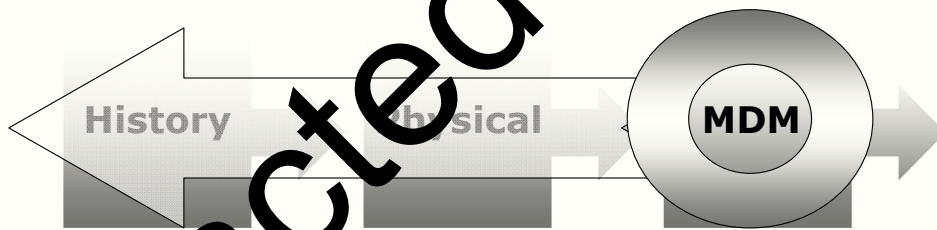
Rec Total

**3 out of 3 key components must qualify**

Target Code	History	Exam	MDM
99235	Comp <input checked="" type="checkbox"/>	Comp <input checked="" type="checkbox"/>	Mod <input checked="" type="checkbox"/>

## Observation Factoids

- Mi
- Ma
- Ob  
sta  
a p
- Th  
ob
- Th  
inp
- Th  
usi



- Focus on the Medical Decision-Making
- Perform the documentation in a purpose-driven manner
- Three out of three key components are always needed for H&P's and Observation Services
- Reimbursement is essentially identical for H&P's and Observation Care

Redacted



**E/M** UNIVERSITY

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Physician-to-Physician E/M  
Coding Education

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Practical E/M Coding Education

[www.EMuniversity.com](http://www.EMuniversity.com)

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