Northern Light Health

Health Information Management Revenue Cycle

Evaluation & Management (E/M) Documentation Guidelines 2023 Update

Inpatient Providers

11.01.2022

HIM Education, Quality & Audit Team
Documentation Auditors, Non-Clinical
Caren Bragg, ABS, CPC
Sara Harvey, RHIT, CPC, CEMC
Ashlie Lopez, CPC
Kaitlyn Peabody, CPC, CPMA, CRC

Overview of Changes

- Changes are effective 1/1/2023.
- 1995/1997 Documentation guidelines are being retired.
- Level of E/M will be determined by Medical Decision Making or Total Time.
  - History and Exam will no longer be used to determine level, but still must be documented as medically appropriate. Tip: History will help support your MDM!
  - Chief complaint is still a required element in the documentation. This establishes the medical necessity of that patient encounter.
- Observation codes have been deleted and instead are included within the Inpatient code set.
- Lowest level of Consult codes (99241/99251) have been deleted.
- New Prolonged Service CPT code created to be used with high level CPT codes.

Medical Decision Making

- The MDM Table includes elements similar to the 95/97 CMS Table of Risk but uses a different scoring method.
- The three elements of MDM are:
  - Number and Complexity of Problems Addressed at the Encounter
  - Amount and/or Complexity of Data to be Reviewed and Analyzed
  - Risk of Complications and/or Morbidity or Mortality of Patient Management
- To determine the level of service, 2 of the 3 elements must meet or exceed the level of MDM required.
- Initial and subsequent as well as new and established CPT codes have the same MDM requirements, but different time requirements.

MDM Element 1:
Number and Complexity of Problems Addressed

- Multiple new or established conditions may be addressed at the same time and may affect MDM.
- Symptoms may cluster around a specific diagnosis and each symptom is not necessarily a unique condition.
- Comorbidities and underlying diseases, in and of themselves, are not considered in selecting a level of E/M services **unless** they are addressed, and their presence increases the data element or the risk element.
- The final diagnosis for a condition does not, in and of itself, determine the complexity or risk, as extensive evaluation may be required to reach the conclusion that the signs or symptoms do not represent a highly morbid condition.
- Presenting symptoms that are likely to represent a highly morbid condition may "drive" MDM even when the ultimate diagnosis is not highly morbid.
- The evaluation and/or treatment should be consistent with the likely nature of the condition.
- The term "risk" used in these definitions relates to risk from the condition. While condition risk and management risk may often correlate, the risk from the condition is distinct from the risk of the management.

MDM Element 1:
Number and Complexity of Problems Addressed

Level of Problems	Types of Problems Addressed **problem with the highest level of MDM is used**
Minimal	• 1 self-limited or minor problem
Low	• 2 or more self-limited or minor problems; • 1 stable chronic illness; • 1 acute, uncomplicated illness or injury; • 1 stable acute illness; • 1 acute, uncomplicated illness or injury requiring hospital inpatient or observation level of care
Moderate	• 1 or more chronic illnesses with exacerbation, progression or side effects of treatment; • 2 or more stable, chronic illnesses; • 1 undiagnosed new problem with uncertain prognosis; • 1 acute illness with systemic symptoms; • 1 acute, complicated injury
High	• 1 or more chronic illnesses with severe exacerbation, progression, or side effects of treatment; • 1 acute or chronic illness or injury that poses a threat to life or bodily function

MDM Element 1:
Number and Complexity of Problems Addressed
Definitions

Problem: A problem is a disease, condition, illness, injury, symptom, sign, finding, complaint, or other matter addressed at the encounter, with or without a diagnosis being established at the time of the encounter.

Problem addressed: A problem is addressed or managed when it is evaluated or treated at the encounter by the provider reporting the service. This includes consideration of further testing or treatment that may not be elected by virtue of risk/benefit analysis or patient/parent, etc. choice. Notation in the patient's medical record that another professional is managing the problem without additional assessment or care coordination documented does not qualify as being addressed or managed by the provider reporting the service. Referral without evaluation (by history, examination, or diagnostic study[ies] or consideration of treatment does not qualify as being addressed or managed by the provider reporting the service. For hospital inpatient and observation care services, the problem addressed is the problem status on the date of the encounter, which may be significantly different than on admission. It is the problem being managed or co-managed by the reporting provider and may not be the cause of admission or continued stay.

MDM Element 1:
Number and Complexity of Problems Addressed
Definitions

Minimal problem: A problem that may not require the presence of the physician or other qualified health care professional, but the service is provided under the physician's or other qualified health care professional's supervision (see 99211, 99281).

Self-limited or minor problem: A problem that runs a definite and prescribed course, is transient in nature, and is not likely to permanently alter health status.

Acute, uncomplicated illness or injury: A recent or new short-term problem with low risk of morbidity for which treatment is considered. There is little to no risk of mortality with treatment, and full recovery without functional impairment is expected. A problem that is normally self-limited or minor but is not resolving consistent with a definite and prescribed course is an acute uncomplicated illness.

Acute, uncomplicated illness or injury requiring hospital inpatient or observation level care: A recent or new short-term problem with low risk of morbidity for which treatment is required. There is little to no risk of mortality with treatment, and full recovery without functional impairment is expected. The treatment required is delivered in a hospital inpatient or observation level setting.

MDM Element 1:
Number and Complexity of Problems Addressed
Definitions

Stable, acute illness: A problem that is new or recent for which treatment has been initiated. The patient is improved and, while resolution may not be complete, is stable with respect to this condition.

Acute, complicated injury: An injury which requires treatment that includes evaluation of body systems that are not directly part of the injured organ, the injury is extensive, or the treatment options are multiple and/or associated with risk of morbidity.

Acute illness with systemic symptoms: An illness that causes systemic symptoms and has a high risk of morbidity without treatment. For systemic general symptoms such as fever, body aches or fatigue in a minor illness that may be treated to alleviate symptoms, see the definitions for 'self-limited or minor problem' or 'acute, uncomplicated illness or injury.' Systemic symptoms may not be general but may be single system.

Undiagnosed new problem with uncertain prognosis: A problem in the differential diagnosis that represents a condition likely to result in a high risk of morbidity without treatment.

MDM Element 1:
Number and Complexity of Problems Addressed
Definitions

Stable, chronic illness: A problem with an expected duration of at least one year or until the death of the patient. For the purpose of defining chronicity, conditions are treated as chronic whether or not stage or severity changes (e.g., uncontrolled diabetes and controlled diabetes are a single chronic condition).

'Stable' for the purposes of categorizing medical decision making is defined by the specific treatment goals for an individual patient. A patient that is not at their treatment goal is not stable, even if the condition has not changed and there is no short-term threat to life or function.

For example, a patient with persistently poorly controlled blood pressure for whom better control is a goal is not stable, even if the pressures are not changing and the patient is asymptomatic. The risk of morbidity **without** treatment is significant.

Chronic illness with exacerbation, progression, or side effects of treatment: A chronic illness that is acutely worsening, poorly controlled or progressing with an intent to control progression and requiring additional supportive care or requiring attention to treatment for side effects.

MDM Element 1:
Number and Complexity of Problems Addressed
Definitions

Chronic illness with severe exacerbation, progression, or side effects of treatment: The severe exacerbation or progression of a chronic illness or severe side effects of treatment that have significant risk of morbidity and may require escalation in level of care.

***Acute or chronic illness or injury that poses a threat to life or bodily function*:** An acute illness with systemic symptoms, or an acute complicated injury, or a chronic illness or injury with exacerbation and/or progression or side effects of treatment, that poses a threat to life or bodily function in the near term without treatment.

Some symptoms may represent a condition that is significantly probable and poses a potential threat to life or bodily function. These may be included in this category when the evaluation and treatment are consistent with this degree of potential severity.

MDM Element 2:
Amount and/or Complexity of Data to be Reviewed and Analyzed

There are 6 elements that count towards your data level:

- Tests ordered
- Tests reviewed
- External records reviewed
- Taking history from someone other than the patient
- Independent interpretation of tests that typically have a separate report (eg, radiology)
- Discussion of management or test interpretation with a provider outside your group (or some other professional source).

MDM Element 2:
Amount and/or Complexity of Data to be Reviewed and Analyzed

Level of Data	Requirements		
Minimal or None	**Minimal or none** (does not meet the requirement for limited data)		
	Limited (1 of 2 Categories)		
Limited	***Category 1***: Tests, Documents Any combination (count) of 2 from the following: • Review external note(s), each unique source • Review result(s), each unique test • Order(s), each unique test	***Category 2***: Assessment requiring Independent Historian	
	Moderate (1 of 3 Categories)		
Moderate	***Category 1***: Tests, Documents Any combination (count) of 3 from the following: • Review external note(s), each unique source • Review result(s), each unique test • Order(s), each unique test • Assessment requiring Independent Historian	***Category 2:*** Independent Interpretation of Test(s) • Independent Interpretation of test performed by another physician/health professional	***Category 3***: Discussion of Management or Test Interpretation: • Discussion with external physician/health professional/ appropriate source
	Extensive (2 of 3 Categories)		
Extensive	***Category 1***: Tests, Documents Any combination (count) of 3 from the following: • Review external note(s), each unique source • Review result(s), each unique test • Order(s), each unique test • Assessment requiring Independent Historian	***Category 2:*** Independent Interpretation of Test(s) • Independent Interpretation of test performed by another physician/health professional	***Category 3***: Discussion of Management or Test Interpretation: • Discussion with external physician/health professional/ appropriate source

MDM Element 2:
Amount and/or Complexity of Data to be Reviewed and Analyzed
Definitions

Analyzed: The process of using the data as part of the MDM. The data element itself may not be subject to analysis (e.g., glucose), but it is instead included in the thought processes for diagnosis, evaluation, or treatment.

Tests ordered are presumed to be analyzed when the results are reported. Therefore, when they are ordered during an encounter, they are counted in that encounter. Tests that are ordered outside of an encounter may be counted in the encounter in which they are analyzed. In the case of a recurring order, each new result may be counted in the encounter in which it is analyzed. For example, an encounter that includes an order for monthly prothrombin times would count for one prothrombin time ordered and reviewed. Additional future results, if analyzed in a subsequent encounter, may be counted as a single test in that subsequent encounter.

Any service for which the professional component is separately reported by the physician or other qualified health care professional reporting the E/M services is not counted as a data element ordered, reviewed, analyzed, or independently interpreted for the purposes of determining the level of MDM.

MDM Element 2:
Amount and/or Complexity of Data to be Reviewed and Analyzed
Definitions

Test: Tests are imaging, laboratory, psychometric, or physiologic data. A clinical laboratory panel (e.g., basic metabolic panel [80047]) is a single test.) The differentiation between single or multiple tests is defined in accordance with the CPT code set. For the purposes of data reviewed and analyzed, pulse oximetry is not a test.

Unique: A unique test is defined by the CPT code set. When multiple results of the same unique test (eg, serial blood glucose values) are compared during an E/M service, count it as one unique test. Tests that have overlapping elements are not unique, even if they are identified with distinct CPT codes. For example, a CBC with differential would incorporate the set of hemoglobin, CBC without differential, and platelet count. A unique source is defined as a physician or qualified heath care professional in a distinct group or different specialty or subspecialty, or a unique entity. Review of all materials from any unique source counts as one element toward MDM.

Combination of Data Elements: A combination of different data elements, for example, a combination of notes reviewed, tests ordered, tests reviewed, or independent historian, allows these elements to be summed. It does not require each item type or category to be represented. A unique test ordered, plus a note reviewed and an independent historian would be a combination of three elements.

MDM Element 2:
Amount and/or Complexity of Data to be Reviewed and Analyzed
Definitions

External: External records, communications and/or test results are from an external physician, other qualified health care professional, facility, or healthcare organization.

External physician or other qualified healthcare professional: An external physician or other qualified health care professional is an individual who is not in the same group practice or is a different specialty or subspecialty. It includes licensed professionals that are practicing independently. It may also be a facility or organizational provider such as a hospital, nursing facility, or home health care agency.

Discussion: Discussion requires an interactive exchange. The exchange must be direct and not through intermediaries (e.g., clinical staff or trainees). Sending chart notes or written exchanges that are within progress notes does not qualify as an interactive exchange. The discussion does not need to be on the date of the encounter, but it is counted only once and only when it is used in the decision making of the encounter. It may be asynchronous (i.e., does not need to be in person), but it must be initiated and completed within a short time period (e.g., within a day or two).

MDM Element 2:
Amount and/or Complexity of Data to be Reviewed and Analyzed
Definitions

Independent historian(s): An individual (e.g., parent, guardian, surrogate, spouse, witness) who provides a history in addition to a history provided by the patient who is unable to provide a complete or reliable history (e.g., due to developmental stage, dementia, or psychosis) or because a confirmatory history is judged to be necessary. In the case where there may be conflict or poor communication between multiple historians and more than one historian(s) is needed, the independent historian(s) requirement is met. It does not include translation services. The independent history does not need to be obtained in person but does need to be obtained directly from the historian providing the independent information.

Independent Interpretation: The interpretation of a test for which there is a CPT code, and an interpretation or report is customary. This does not apply when the physician or other qualified health care professional who reports the E/M service is reporting or has previously reported the test. A form of interpretation should be documented but need not conform to the usual standards of a complete report for the test.

Appropriate source: For the purpose of the **Discussion of Management** data element, an appropriate source includes professionals who are not health care professionals but may be involved in the management of the patient (e.g., lawyer, parole officer, case manager, teacher). It does not include discussion with family or informal caregivers.

MDM Element 3: Risk of Complications and/or Morbidity or Mortality of Patient Management

- One element used in selecting the level of service is the risk of complications and/or morbidity or mortality of patient management at an encounter.
  - This is distinct from the risk of the condition itself.

- The level of risk can include options considered but not selected.
  - Document all treatment options considered and discussed, even if ultimately another management option was pursued.

- Shared medical decision making with the patient and/or family may occur and contribute to the level of risk.

MDM Element 3:
Risk of Complications and/or Morbidity or Mortality of Patient Management

Level of Risk	
Minimal	**Minimal risk** of morbidity from additional diagnostic testing or treatment
Low	**Low risk** of morbidity from additional diagnostic testing or treatment
Moderate	**Moderate risk** of morbidity from additional diagnostic testing or treatment. Examples (not all inclusive): • Prescription drug management • Decision regarding minor surgery *with* identified patient or procedure risk factors • Decision regarding major surgery *without* identified patient or procedure risk factors • Diagnosis or treatment significantly limited by social determinants of health
High	**High risk** of morbidity from additional diagnostic testing or treatment. Examples (not all inclusive): • Drug therapy requiring intensive monitoring for toxicity • Decision regarding major surgery *with* identified patient or procedure risk factors • Decision regarding emergency major surgery • Decision regarding hospitalization or escalation of hospital-level care • Decision not to resuscitate or to de-escalate care *because of poor prognosis* • Parenteral controlled substances

MDM Element 3:
Risk of Complications and/or Morbidity or Mortality of Patient Management

Risk: The probability and/or consequences of an event. The assessment of the level of risk is affected by the nature of the event under consideration. For example, a low probability of death may be high risk, whereas a high chance of a minor, self-limited adverse effect of treatment may be low risk.

Definitions of risk are based upon the usual behavior and thought processes of a physician or other qualified health care professional in the same specialty. Trained clinicians apply common language usage meanings to terms such as 'high', 'medium', 'low', or 'minimal' risk and do not require quantification for these definitions, (though quantification may be provided when evidence-based medicine has established probabilities).

For the purpose of medical decision making, level of risk is based upon consequences of the problem(s) addressed at the encounter when appropriately treated. Risk also includes medical decision making related to the need to initiate or forego further testing, treatment and/or hospitalization.

The risk of patient management criteria applies to the patient management decisions made by the reporting physician or other qualified health care professional as part of the reported encounter.

Morbidity: A state of illness or functional impairment that is expected to be of substantial duration during which function is limited, quality of life is impaired, or there is organ damage that may not be transient despite treatment.

MDM Element 3:
Risk of Complications and/or Morbidity or Mortality of Patient Management

Social determinants of health: Economic and social conditions that influence the health of people and communities. Examples may include food or housing insecurity.

Surgery–Minor or Major: The classification of surgery into minor or major is based on the common meaning of such terms when used by trained clinicians, similar to the use of the term "risk." These terms are not defined by a surgical package classification.

Surgery–Elective or Emergency: Elective procedures and emergent or urgent procedures describe the timing of a procedure when the timing is related to the patient's condition. An elective procedure is typically planned in advance (eg, scheduled for weeks later), while an emergent procedure is typically performed immediately or with minimal delay to allow for patient stabilization. Both elective and emergent procedures may be minor or major procedures.

Surgery–Risk Factors, Patient or Procedure: Risk factors are those that are relevant to the patient and procedure. Evidence-based risk calculators may be used, but are not required, in assessing patient and procedure risk.

MDM Element 3:
Risk of Complications and/or Morbidity or Mortality of Patient Management

Drug therapy requiring intensive monitoring for toxicity: A drug that requires intensive monitoring is a therapeutic agent that has the potential to cause serious morbidity or death. The monitoring is performed for assessment of these adverse effects and not primarily for assessment of therapeutic efficacy. The monitoring should be that which is generally accepted practice for the agent but may be patient specific in some cases.

Intensive monitoring may be long-term or short term. Long-term intensive monitoring is not performed less than quarterly. The monitoring may be performed with a laboratory test, a physiologic test or imaging. Monitoring by history or examination does not qualify. The monitoring affects the level of medical decision making in an encounter in which it is considered in the management of the patient.

An example may be monitoring for cytopenia in the use of an antineoplastic agent between dose cycles. Examples of monitoring that do not qualify include monitoring glucose levels during insulin therapy, as the primary reason is the therapeutic effect (unless severe hypoglycemia is a current, significant concern); or annual electrolytes and renal function for a patient on a diuretic as the frequency does not meet the threshold.

Determining MDM Level

To find the overall level using MDM as the determining factor, two of the three elements for that level must be met or exceeded. In this scenario, we have moderate problems and moderate risk to support a moderate overall level of MDM as two out of the three elements are met.

Overall Level of MDM *(Based on 2 of 3 elements)*	**Elements of MDM**		
	Number and Complexity of Problems Addressed	Amount and/or Complexity of Data to be Reviewed and Analyzed	Risk of Complications and/or Morbidity or Mortality of Patient Management
N/A	N/A	N/A	N/A
Straightforward	Minimal	Minimal or None	Minimal
Low	Low	Limited	Low
Moderate	Moderate	Moderate	Moderate
High	High	Extensive	High

Determining MDM Level

To find the overall level using MDM as the determining factor, two of the three elements for that level must be met or exceeded. In this scenario, we have moderate problems, limited data, and high risk. Since we do not have two elements in the same MDM level, we drop the lower and higher elements, and the middle level determines the risk.

Overall Level of MDM *(Based on 2 of 3 elements)*	**Elements of MDM**		
	Number and Complexity of Problems Addressed	Amount and/or Complexity of Data to be Reviewed and Analyzed	Risk of Complications and/or Morbidity or Mortality of Patient Management
N/A	N/A	N/A	N/A
Straightforward	Minimal	Minimal or None	Minimal
Low	Low	Limited	Low
Moderate	Moderate	Moderate	Moderate
High	High	Extensive	High

Hospital Inpatient or Observation Care CPT Codes

CPT Code	CPT Description	Time
99221	**Initial hospital inpatient or observation care**, per day, for the evaluation and management of a patient, which requires a medically appropriate history and/or examination and straightforward or low level medical decision making	40 minutes must be met or exceeded
99222	**Initial hospital inpatient or observation care**, per day, for the evaluation and management of a patient, which requires a medically appropriate history and/or examination and moderate level of medical decision making	55 minutes must be met or exceeded
99223	**Initial hospital inpatient or observation care**, per day, for the evaluation and management of a patient, which requires a medically appropriate history and/or examination and high level of medical decision making	75 minutes must be met or exceeded ***For services of 90 minutes or longer, use prolonged service code 99418***

CPT Code	CPT Description	Time
99231	**Subsequent hospital inpatient or observation care**, per day, for the evaluation and management of a patient, which requires a medically appropriate history and/or examination and straightforward or low level medical decision making	25 minutes must be met or exceeded
99232	**Subsequent hospital inpatient or observation care**, per day, for the evaluation and management of a patient, which requires a medically appropriate history and/or examination and moderate level of medical decision making	35 minutes must be met or exceeded
99233	**Subsequent hospital inpatient or observation care**, per day, for the evaluation and management of a patient, which requires a medically appropriate history and/or examination and high level of medical decision making	50 minutes must be met or exceeded ***For services of 65 minutes or longer, use prolonged service code 99418***

Hospital Inpatient or Observation Discharge Services

CPT Code	CPT Description *(emphasis added)*
99238	Hospital inpatient or observation discharge day management; **30 minutes or less on the date of the encounter**
99239	Hospital inpatient or observation discharge day management; **more than 30 minutes on the date of the encounter**

Hospital Inpatient or Observation Care Services Including Admission and Discharge Services, same date of service

CPT Code	CPT Description	Time
99234	Hospital inpatient or observation care, for the evaluation and management of a patient **including admission and discharge on the same date**, which requires a medically appropriate history and/or examination and straightforward or low level of medical decision making	45 minutes must be met or exceeded
99235	Hospital inpatient or observation care, for the evaluation and management of a patient **including admission and discharge on the same date**, which requires a medically appropriate history and/or examination and moderate level of medical decision making	70 minutes must be met or exceeded
99236	Hospital inpatient or observation care, for the evaluation and management of a patient **including admission and discharge on the same date**, which requires a medically appropriate history and/or examination and high level of medical decision making	85 minutes must be met or exceeded ***For services of 100 minutes or longer, use prolonged services code 99418***

HealthStream Attestation

- An attestation must be completed in HealthStream which will be available for you to complete after attending the appropriate sessions based on your specialty.
- This will be a 4-question true/false quiz confirming that you have attended your session, you understand the changes, received the materials, and who to contact with additional questions.
- Materials will be emailed to attendees after the session and are available on the HIM Portal Provider E/M Education.
- Intranet - 2023 Provider E/M Education (emhs.org)

References

AMERICAN MEDICAL ASSOCIATION. (2022). *Cpt Professional 2023*. AMERICAN MEDICAL ASSOCIAT.

Contact Information

Email: #NLH – EM Documentation Support

NLHEMDocumentationSupport@northernlight.org

Caren Bragg, ABS, CPC

Sara Harvey, RHIT, CPC, CEMC

Ashlie Lopez, CPC

Kaitlyn Peabody, CPC, CPMA, CRC

Appendix A
Available Auto-Text

Time-based auto-text:

2 options available

- */time*
- */time-detailed*

MDM auto-text:

1 option

- */mdm*