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E&M coding levels for hospital EDs, 2007-10

Payers often scrutinize evaluation and management (E&M) services in hospital emergency departments (EDs) because of significant differences in payment levels for these services. These services are represented by six HCPCS codes that group into four ambulatory payment classifications (APCs) representing a range of resource consumption. The Centers for Medicare & Medicaid Services (CMS) updates definitions and national payment rates for these APCs annually as part of the Medicare outpatient prospective payment system (OPPS).

Although E&M codes were originally defined for physician reporting, hospital coding guidelines for emergency and clinic visits should be based on ED or clinic facility resource use, rather than physician resource use. The acuity of patients' conditions (and their APC mix) may differ across hospital EDs according to factors such as:

> The characteristics of the population served
> The range and complexity of services offered
> Hospital size and specialties
> Referral relationships among hospitals in the area
> Regional influences on health care

A simple analysis of a hospital's E&M code utilization can disclose systematic undercoding or overcoding of ED encounters. Undercoding can result in lower levels of payment, whereas overcoding can be a compliance problem requiring correction. The study findings depicted here can help hospitals to determine whether their E&M coding is within expected ranges as compared with the coding of their peers.

MEDICARE APC DEFINITIONS AND PAYMENT RATES BY E&M LEVEL, 2007-2010

APC	Definition	HCPCS	2007	2008	2009	2010
610	Low-level emergency visits	99281 99282	$50.01 $82.96	$50.76 $83.67	$52.66 $86.14	$53.03 $87.64
611	Mid-level emergency visits	99283	$130.00	$132.17	$136.70	$139.83
612	High-level emergency visits	99284 99285	$209.99 $325.26	$212.59 $315.51	$217.91 $323.90	$222.63 $328.92
620	Critical care	99291	$405.04	$466.02	$485.39	$464.17

PERCENTAGE OF TOTAL CLAIMS BY E&M LEVEL, 2007-10

APC	Definition	HCPCS	2007	2008	2009	2010
610	Low-level emergency visits	99281 99282	5.3% 16.7%	4.6% 15.0%	3.3% 12.4%	2.7% 10.3%
611	Mid-level emergency visits	99283	33.9%	33.2%	32.7%	32.5%
612	High-level emergency visits	99284 99285	28.9% 14.2%	30.5% 15.8%	32.5% 18.2%	33.5% 20.1%
620	Critical care	99291	1.0%	0.9%	0.9%	0.8%

Sources and Limitations of Data

This analysis is based on national Medicare OPPS claims for hospital ED visits during calendar years 2007 through 2010. Data were obtained from CMS and contain fee-for-service claims data for Medicare hospital outpatient bills. All data obtained from CMS and used in this analysis are consistent with CMS's cell-size suppression policy. In the interest of patient confidentiality, this policy prohibits reporting aggregations of data representing 10 or fewer patients.

When reviewing this analysis it is important to note that it does not reflect the entire population of Medicare patients:

- Medicare patients who are admitted to a hospital through its ED are not included in outpatient claims data, because Medicare does not allow hospitals to bill separately for outpatient services provided prior to an admission.
- Patients covered by a Medicare managed care plan are excluded because the CMS outpatient data include only fee-for-service claims.
- Critical access hospitals are not included in OPPS claims data.
- E&M services for certain recurring visits are excluded to avoid inconsistent classification of services over the period studied, given that in January 2008, E&M services for these services began to be grouped into composite APCs, and claims for the services represent less than 1 percent of total ED services.

Observations

The data disclose a persistent decline in the percentage of claims for low- and mid-level emergency visits (APCs 610 and 611) over the period studied, with a corresponding increase in the percentage of claims for high-level emergency visits (APC 612). The percentage of claims for critical care (APC 620) remained relatively unchanged at about 0.9 percent. The reason for a decline in percentage of claims for low- and mid-level ED visits could be the result of a shift in coding practices, a decline in the two lower levels of ED visits, or a combination of the two.

Data based on ED claims data for CY10 also show variations by hospital size that may be useful for comparisons. Smaller EDs, as measured by the annual number of ED claims, had higher proportions of low- and mid-level emergency visits. Conversely, larger EDs had higher proportions of high-level emergency visits.

It would seem logical to expect larger EDs also to provide higher proportions of critical care. The data, however, indicate just the opposite. The most likely reason is that patients requiring critical care are more often admitted as inpatients in larger hospitals, and therefore do not appear in the outpatient data. On the other hand, patients requiring critical care also are more often transferred from smaller hospitals to larger ones (instead of being admitted to the smaller hospital). Consequently, transferred patients do appear in the outpatient data for the smaller hospitals.

Hospitals should regularly review their own claims data and compare them with data of peer hospitals to determine whether there are unexpected variations that should be investigated. Hospitals may also find comparative data helpful when discussing their E&M utilization statistics with payers. ●

This analysis was performed by American Hospital Directory, LLC, Louisville, Ky. For more information, contact Paul Shoemaker, FACHE, at shoebox@ahd.com.

PERCENTAGE OF TOTAL CLAIMS BY E&M LEVEL ACCORDING TO ANNUAL ED VOLUME, 2010

			Annual ED Volume				
APC	**Description**	**HCPCS**	**500-1,000**	**1,001-4,000**	**4,001-7,000**	**7,001-10,000**	**>10,000**
610	Low-level emergency visits	99281 99282	5.1% 19.2%	3.2% 12.0%	2.6% 9.7%	2.6% 9.2%	2.0% 7.8%
611	Mid-level emergency visits	99283	35.4%	34.0%	32.3%	30.8%	30.6%
612	High-level emergency visits	99284 99285	25.3% 13.7%	30.9% 18.9%	34.4% 20.2%	35.4% 21.3%	36.2% 22.8%
620	Critical care	99291	1.2%	1.0%	0.7%	0.7%	0.7%