

# Billing Guidelines

## Observation Stay

### PURPOSE

- The purpose of this document is to assist providers in understanding and complying with the Healthfirst (HF) billing requirements for observation stay claims.
- This billing guideline is for providers reimbursed by methods other than APC/APG. APC/APG providers should bill according to the requirements of that particular methodology.
- Observation services are short-term treatment, assessments, and tests to determine whether the patient should be admitted for more intensive inpatient care, discharged, or transferred to another facility.
- Reimbursement for observation stay will only be considered if the patient entered through the Emergency Room.
- For additional information concerning requests for authorizations and claims submission including clean claims requirements not included in this document refer to the Healthfirst Provider Manual.

### MEMBER ELIGIBILITY:

- Providers rendering services are responsible for verifying eligibility with Healthfirst by contacting **1-800-662-1220** or via Provider Portal

### BILLING INSTRUCTIONS:

- The observation stay begins when the physician orders an observation bed for the patient.
- Services billed under revenue code 045X (Emergency Room) or 0762 (Observation Bed) group as one visit even if the patient's stay and subsequent billed days of service span more than one day.
- G0378 is payable when billed with Emergency Room Services 99281 – 99285 or G0380 – G0384.
- Units billed with Hospital observation service, per hour code G0378, must equal or exceed **8 hours**.
- If the observation stay (G0378) is less than 8 hours, only the ER services will be payable and the observation stay will be denied.

### GENERAL PROVISIONS:

- Billing guidelines are designed to promote accurate coding and to assist you when submitting claims to Healthfirst. Refer to your provider contract for compensation information and additional billing requirements that may apply to you.
- Healthfirst will process all undisputed claims in accordance with New York State Prompt Payment regulations.
- All payments for covered services provided to Healthfirst members constitute payment in full. Providers may not balance bill members for the difference between their actual charges and the reimbursed amounts; any such billing is violation of the provider's agreement with Healthfirst and applicable New York State Law.
- Claims will be subjected to payment edits that are based on payment policies consistent with national standards established by CPT, CMS, National Correct Coding Initiative (CCI) and specialty societies. We will keep our policies current with these respected sources as they make modifications.

## CODING INSTRUCTIONS:

- **THE FOLLOWING CODE G0378 IS PAYABLE WHEN BILLED WITH EMERGENCY ROOM SERVICES 99281 – 99285 OR G0380 – G0384.**

| CPT   | Code Description   |
|-------|--|
| G0378 | Hospital observation service, per hour   |
| G0380 | Level 1 hospital emergency department visit provided in a type B emergency department; (the ED must meet at least one of the following requirements: (1) it is licensed by the state in which it is located under applicable state law as an emergency room or emergency department; (2) it is held out to the public (by name, posted signs, advertising, or other means) as a place that provides care for emergency medical conditions on an urgent basis without requiring a previously scheduled appointment; or (3) during the calendar year immediately preceding the calendar year in which a determination under 42 CFR 489.24 is being made, based on a representative sample of patient visits that occurred during that calendar year, it provides at least one-third of all of its outpatient visits for the treatment of emergency medical conditions on an urgent basis without requiring a previously scheduled appointment) |
| G0381 | Level 2 hospital emergency department visit provided in a type B emergency department; (the ED must meet at least one of the following requirements: (1) it is licensed by the state in which it is located under applicable state law as an emergency room or emergency department; (2) it is held out to the public (by name, posted signs, advertising, or other means) as a place that provides care for emergency medical conditions on an urgent basis without requiring a previously scheduled appointment; or (3) during the calendar year immediately preceding the calendar year in which a determination under 42 CFR 489.24 is being made, based on a representative sample of patient visits that occurred during that calendar year, it provides at least one-third of all of its outpatient visits for the treatment of emergency medical conditions on an urgent basis without requiring a previously scheduled appointment) |
| G0382 | Level 3 hospital emergency department visit provided in a type B emergency department; (the ED must meet at least one of the following requirements: (1) it is licensed by the state in which it is located under applicable state law as an emergency room or emergency department; (2) it is held out to the public (by name, posted signs, advertising, or other means) as a place that provides care for emergency medical conditions on an urgent basis without requiring a previously scheduled appointment; or (3) during the calendar year immediately preceding the calendar year in which a determination under 42 CFR 489.24 is being made, based on a representative sample of patient visits that occurred during that calendar year, it provides at least one-third of all of its outpatient visits for the treatment of emergency medical conditions on an urgent basis without requiring a previously scheduled appointment) |
| G0383 | Level 4 hospital emergency department visit provided in a type B emergency department; (the ED must meet at least one of the following requirements: (1) it is licensed by the state in which it is located under applicable state law as an emergency room or emergency department; (2) it is held out to the public (by name, posted signs, advertising, or other means) as a place that provides care for emergency medical conditions on an urgent basis without requiring a previously scheduled appointment; or (3) during the calendar year immediately preceding the calendar year in which a determination under 42 CFR 489.24 is being made, based on a representative sample of patient visits that occurred during that calendar year, it provides at least one-third of all of its outpatient visits for the treatment of emergency medical conditions on an urgent basis without requiring a previously scheduled appointment) |
| G0384 | Level 5 hospital emergency department visit provided in a type B emergency department; (the ED must meet at least one of the following requirements: (1) it is licensed by the state in which it is located under applicable state law as an emergency room or emergency department; (2) it is held out to the public (by name, posted signs, advertising, or other means) as a place that provides care for emergency medical conditions on an urgent basis without requiring a previously scheduled appointment; or (3) during the calendar year immediately preceding the calendar year in which a determination under 42 CFR 489.24 is being made, based on a representative sample of patient visits that occurred during that calendar year, it provides at least one-third of all of its outpatient visits for the treatment of emergency medical conditions on an urgent basis without requiring a previously scheduled appointment) |

| CPT   | Code Description   |
|-------|--|
| 99281 | Emergency department visit for the evaluation and management of a patient, which requires these 3 key components: A problem focused history; A problem focused examination; and Straightforward medical decision making. Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are self-limited or minor.   |
| 99282 | Emergency department visit for the evaluation and management of a patient, which requires these 3 key components: An expanded problem focused history; An expanded problem focused examination; and Medical decision making of low complexity. Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are of low to moderate severity.   |
| 99283 | Emergency department visit for the evaluation and management of a patient, which requires these 3 key components: An expanded problem focused history; An expanded problem focused examination; and Medical decision making of moderate complexity. Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are of moderate severity.   |
| 99284 | Emergency department visit for the evaluation and management of a patient, which requires these 3 key components: A detailed history; A detailed examination; and Medical decision making of moderate complexity. Counseling and/or coordination of care with other physicians, other qualified health care professionals or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are of high severity, and require urgent evaluation by the physician or other qualified health care professionals but do not pose an immediate significant threat to life or physiologic function.           |
| 99285 | Emergency department visit for the evaluation and management of a patient, which requires these 3 key components within the constraints imposed by the urgency of the patient's clinical condition and/or mental status: A comprehensive history; A comprehensive examination; and Medical decision making of high complexity. Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are of high severity and pose an immediate significant threat to life or physiologic function. |