

2023 Changes to the Hospitalist Evaluation and Management Codes

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On January 1, 2023, the Current Procedural Terminology® (CPT®) codes hospitalists use every day are going to see historic changes in how they are documented, coded, billed, and reimbursed. The AMA’s CPT® Editorial Panel made significant edits to the hospital visit codes and how they can be billed. The AMA’s RVS Update Committee (RUC) issued recommendations for the value of these codes, which were accepted by the Centers for Medicare & Medicaid Services (CMS) in the CY 2023 Medicare Physician Fee Schedule Final Rule. This resource contains an overview of the most relevant changes.

Collapsing Observation Care Codes into Inpatient Codes

The CPT® Editorial Panel, recognizing the similarities in clinical work between observation and inpatient care, eliminated the Hospital Observation Services codes (99217, 99218, 99219, 99220, 99224, 99225, 99226) and merged them with the revised inpatient codes, which are now titled “Hospital Inpatient or Observation Care Services.” The table below crosswalks the observation codes with the Hospital Inpatient and Observation Care Services codes.

If you were going to report...	Use in 2023 onwards...
99217 Observation Care Discharge Services	Either 99238 or 99239 depending on the time associated with the discharge (as long as the date of discharge is not the same as admission)
99218, 99219, or 99220 Initial Observation Care	99221, 99222, or 99223, depending on the level of MDM or time associated with the visit
99224, 99225, or 99226 Subsequent Observation Care	99231, 99232, or 99233, depending on the level of MDM or time associated with the visit

Changes to How the Codes Can Be Billed: Time or MDM

Similar to recent changes for the office/outpatient E/M codes, the hospital inpatient or observation codes are only billable by Medical Decision Making (MDM) or time. History & Physical Exam are no longer available as a mechanism for billing, but every service is required to contain a medically appropriate history and/or examination.

The MDM table for these services has been updated to align with the MDM table for office/outpatient services.

Billing by time has also changed. The times associated with the codes are **thresholds**. That is, the time must be met or exceeded (and documented) for the service to be billed.

Changes to the Work RVUs and Time Associated with the Codes

Based on responses to surveys, the RUC created new recommendations for work RVUs (wRVUs) and times for hospital visit codes. These recommendations were finalized by CMS for the values beginning in CY 2023. The following table outlines the changes.

2023 Hospital Inpatient or Observation Care Codes wRVUs, Time and MDM

	MDM	Time (met or exceeded)	2022 wRVUs (prior values)	2023 wRVUs (new values)
99221 Initial hospital inpatient or observation care	Straightforward or Low	40 mins	1.92	1.63 ↓
99222 Initial hospital inpatient or observation care	Moderate	55 mins	2.61	2.60 ↓
99223 Initial hospital inpatient or observation care	High	75 mins	3.86	3.50 ↓
99231 Subsequent hospital inpatient or observation care	Straightforward or Low	25 mins	0.76	1.00 ↑
99232 Subsequent hospital inpatient or observation care	Moderate	35 mins	1.39	1.59 ↑
99233 Subsequent hospital inpatient or observation care	High	50 mins	2.00	2.40 ↑
99234 Hospital inpatient or observation care (same date)	Straightforward or Low	45 mins	2.56	2.00 ↓
99235 Hospital inpatient or observation care (same date)	Moderate	70 mins	3.24	3.24 =
99236 Hospital inpatient or observation care (same date)	High	85 mins	4.20	4.30 ↑
99238 Hospital inpatient or observation discharge day management, 30 minutes or less		30 mins or less	1.28	1.50 ↑
99239 Hospital inpatient or observation discharge day management, more than 30 minutes		>30 mins	1.90	2.15 ↑

More information about these changes:

- [AMA: CPT® Evaluation and Management \(E/M\) Code and Guideline Changes](#)
- [CMS: CY 2023 Physician Fee Schedule Final Rule](#)

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