What physicians need to know about E/M code changes coming Jan. 1

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Coding and documentation for evaluation-and-management (E/M) services will carry fewer administrative burdens in 2023 as landmark reforms that were implemented last year for E/M services performed in outpatient and office settings will be carried over across all health care settings starting Jan. 1, including hospitals, emergency departments, nursing facilities and patients’ homes.

The previous revisions covered E/M outpatient office-visit Current Procedural Terminology (CPT®) codes 99201 through 99215 and the corresponding code descriptors and documentation standards. For 2023, several codes and their descriptors have been revised, consolidated or deleted.

These changes were explained in “E/M 2023: Advancing landmark updates across more settings of care,” a recent AMA webinar featuring the experts who led the reform effort.

The revisions are also meant to track with E/M changes for 2023 planned by the Centers for Medicare and Medicaid Services (CMS). The importance of this was highlighted in a recently released AMA summary (PDF) of the proposed 2023 Medicare Physician Payment Schedule, which noted that the E/M code sets being revised for 2023 comprise about 20% of all allowed charges in the entire CMS proposed rule.

Getting rid of “the junk”.

Changes implemented in 2021 included providing physicians and other qualified health care professionals the flexibility to select a level of service based on the complexity of medical decision-making or total time on the day of service—including work completed when the patient wasn’t present.

The reform effort was led by AMA members Barbara Levy, MD, a former chair of the AMA/Specialty Society RVS Update Committee (RUC) and a current member of the AMA CPT Editorial Panel, and
Peter Hollmann, MD, a former chair of the CPT Editorial Panel and now vice chair of the RUC.

In the webinar, Drs. Levy and Hollmann outlined the history and intent of the reforms and detailed the changes that the Editorial Panel approved for 2023.

“Our No. 1 job was to make it simple, practical and clinically relevant—you call that administrative simplification,” said Dr. Hollmann, a geriatrician and chief medical officer of the Brown Medicine faculty medical group.

“Our No. 2 goal was to decrease the need for audits or to fight fear,” he added. “No. 3 was to decrease the unnecessary documentation that was related to coding and not to clinical care and get rid of the junk.”

Dr. Levy, a clinical professor of obstetrics and gynecology at the George Washington University School of Medicine & Health Sciences, explained further about how the 2021 revisions eliminated the system of bulleted items used to define a “medically appropriate” physical exam.

For her—as a gynecologist—this led to unnecessary activities such as “having to look in somebody's ears when I'm evaluating her for abnormal bleeding.”

Revisions and deletions

Changes for next year (PDF) cover E/M services such as hospital observation care, E/M consultations and prolonged services.

Specific changes include deleting hospital observation codes CPT codes 99217 through 99220 and removing “domiciliary” or “rest home” as a setting for home care.

“Now we can just have one set of codes that are the patient’s residence—that's where they live,” Dr. Hollman said.

This includes private residences, temporary lodging or short-term accommodations, such as a cruise ship, Dr. Hollmann explained, but not certain licensed facilities where differing levels of care can be provided.

“It is confusing because some of these licensure categories vary for state to state, so it's very hard to have a national policy on them,” he added.

Dr. Levy warned that physicians should take care in coding for consultations, which are defined as a type of E/M service that's provided at the request of another physician, qualified healthcare
professional or another appropriate source—but not by a patient or patient’s family or caregiver.

“Here's an area where it's very important to know what your payer will or will not cover,” she said.

The AMA has additional resources on implementing the E/M outpatient and office-visit revisions, including step-by-step videos. Summaries of the revisions and explanations of how they will reduce administrative burdens are also available.