

OBSERVATION AS PART OF EXTENDED ASSESSMENT AND MANAGEMENT COMPOSITE APC				DIRECT ADMIT TO OBSERVATION				OBSERVATION PACKAGED INTO OTHER SERVICES	
APC No.	HCPCS Codes	Criteria for Composite Payment		APC No.	HCPCS Codes	Criteria for Payment		HCPCS Code	Payment
		1	2			1	2		
8002 - Level I Extended Assessment and Management Composite	G0378 + G0379	8 or more units of code G0378 billed on the same day as G0379	No procedure with SI=T on the same day or day before observation care (G0378) is provided.	604 - Level I Hospital Clinic Visit	G0379 + G0378	Patient is admitted directly to observation care after being seen by a physician in the community.	No procedure with SI= T is provided on the same day as G0379.	G0379 + G0378	If either of the criteria for payment for direct admit to observation is not met, code G0379 will be assigned SI=N and will be packaged into payment for other separately payable services provided in the same encounter.
	G0378 + 99205	8 or more units of code G0378 are billed on the same day or the day after 99205	No procedure with SI=T on the same day or day before observation care (G0378) is provided.				No procedure with SI= V is provided on the same day as G0379.		
	G0378 + 99215	8 or more units of code G0378 are billed on the same day or the day after 99215	No procedure with SI=T on the same day or day before observation care (G0378) is provided.				No Critical Care service is provided on the same day as G0379.	G0378	Effective 01-01-08 for hourly observation services is assigned SI=N (payment always packaged). Payment for all reasonable and necessary observation services is packaged into the payments for other separately payable services provided to the patient in the same encounter.
8003 - Level II Extended Assessment and Management Composite	G0378 + 99284	8 or more units of code G0378 billed on the same day as 99284	No procedure with SI=T on the same day or day before observation care (G0378) is provided.	DIAGNOSIS: There is no limitation on diagnosis for payment of Composite APCs. REQUIREMENTS: Requirements related to Observation Care regardless of whether the hospital believes that observation services will be packaged or will meet the criteria for extended assessment and management composite payment: Observation Time: 1. Observation time must be documented in the medical record. 2. Observation time begins with documented clock time that observation care is initiated per physician's order. 3. Observation times ends when all clinical or medical interventions have been completed, including follow-up care furnished by hospital staff and physicians that may take place after a physician has ordered the patient be released or admitted as an inpatient. 4. Count the observation time to the nearest hour. Physician Evaluation: 1. The patient must be in the care of a physician during the period of observation, as documented in the medical record by admission, discharge, and other appropriate progress notes that are timed, written, and signed by the physician. 2. The medical record must include documentation that the physician explicitly assessed patient risk to determine that the beneficiary would benefit from observation care.					
	G0378 + 99285	8 or more units of code G0378 billed on the same day as 99285	No procedure with SI=T on the same day or day before observation care (G0378) is provided.						
	G0378 + 99291	8 or more units of code G0378 billed on the same day as 99291	No procedure with SI=T on the same day or day before observation care (G0378) is provided.						
HCPCS CODES	DESCRIPTION			APC Status Indicator (SI)	OPPS PAYMENT STATUS			NOTE: Refer to "Outpatient Observation Services for Medicare Patient - Reporting Guidelines 2009" for detailed instructions.	
G0378	Hospital observation service, per hour			N	Paid under OPPS; payment is packaged into payment for other services, including outliers. Therefore, there is no separate APC payment.			Reference: CMS Transmittal 1745, 1760 CR6492, Transmittal 1417 CR5912, MM5946, CMS Claims Processing Manual, Pub. 100-4, Chapter 4, Sect. 290, Rev. 07-30-09.	
G0379	Direct admission of patient for hospital observation care								
99205	Office or other outpatient visit for E/M, new patient (Level 5)								
99215	Office or other outpatient visit for E/M, established patient (Level 5)			T	Significant procedure, multiple reduction applies. Paid under OPPS; separate APC payment.			DISCLAIMER: Please be advised that while every effort has been made to ensure accuracy of the information provided according to the most current CMS Transmittals pertaining to the subject, periodic changes to rules and coverage may occur. Please refer to CMS website for updates.	
99284	Emergency dept. visit for E/M (Level 4)								
99285	Emergency dept. visit for E/M (Level 5)								
99291	Critical care, E/M of the critically ill or critically injured patient			V	Clinic or emergency department visit. Separate APC payment.				