

2021 E & M CODING UPDATE

Key Points

- ◆ **Eliminate history and physical as elements for E & M code selection,**
-Medical record documentation should support diagnosis and treatment decisions and demonstrate medical complexity.
- ◆ **Allow physicians to choose whether their coding is based on Medical Decision Making (MDM) or Total Time**
- ◆ **Only outpatient office visit codes are affected (CPT 99201-99215), inpatient documentation and coding is not impacted by these rule changes.**
- ◆ **Only CMS has committed to these changes for 2021. CMS has no direct authority over any commercial insurance plans. While it is anticipated that commercial payer will follow CMS changes in 2021 – no commercial payer has publicly commented on their plans either way.**
- ◆ **Of note is CMS will no longer reimburse for audio-only visits.**

Patients over Paperwork

As part of their “patients over paperwork” initiative, CMS is implementing new outpatient E & M coding guidelines. For 2021, CMS will move from a points-based system for history, exam and medical decision making, to a medical necessity and effort-based system. As part of this initiative, CMS is also increasing the wRVU for outpatient codes (see table 1) recognizing the higher complexity of patients in the outpatient setting, the increase in non-patient facing time for EMR documentation and added time for care coordination and population health.

Providers in the office setting will now select the appropriate level of E/M services based on the following: 1) The level of the medical decision making (MDM) or 2) The total time for E/M services performed on the date of the encounter.

Providers have often felt forced into documenting items of history and/or exam that were not pertinent to an office visit in order to support the E/M level that was medically necessary and appropriate. **Now, medical decision making will guide H & P documentation rather than coding requirements.**

The new guidelines expand the list of data elements included for medical decision making. They also make it clear that options considered, but not selected, are still a factor for risk of complications in medical decision making.

Medical Decision Making

Medical decision includes the effort required to: 1) establish a diagnosis, 2) assess the status of a condition and 3) select an appropriate treatment strategy.

There are 3 components that determine the complexity of medical decision making (**see back page for details**):

1. The number and complexity of problems addressed
2. The amount and complexity of data utilized
3. The risk of complications from the illness(es) or treatment(s)

Four levels of MDM are recognized based upon the 3 components:

- ⇒ Straight forward (99202, 99212)
- ⇒ Low (99203, 99213)
- ⇒ Moderate (99204, 99214)
- ⇒ High (99205, 99215)

Time-Based Coding

- ◆ A key shift for outpatient E/M codes is that the time referenced in the 2021 code descriptors is total time (face-to-face **AND** non-face-to-face). The 2020 descriptors for these codes included only actual face-to-face time.
- ◆ The guidelines offer the examples such as: preparing for the visit (e.g. reviewing test results); getting or reviewing a history that was separately obtained; performing the exam; counseling and providing education to the patient, family, or caregiver; ordering medicines, tests, or procedures; communicating with other healthcare professionals; documenting information in the medical record; interpreting results and sharing that information with the patient, family, or caregiver; and care coordination.
- ◆ Eliminates the existing requirement that counseling and/or coordination of care must dominate the time spent (occupy greater than 50%) in order for a code to be selected based on time.

New patient Code	Time range	Established Pt. Code	Time Range
99201	XXX	99211	Does not require physician/APP presence
99202	15-29 minutes	99212	10-19 minutes
99203	30-44 minutes	99213	20-29 minutes
99204	45-59 minutes	99214	30-39 minutes
99205	60-74 minutes	99215	40-54 minutes
99XXX	Additional 15 minutes (use only with 99205)	99XXX	Additional 15 minutes (use only with 99215)

CMS Physician fee schedule changes

- ◆ CY 2021 Conversion Factor (CF) will decrease to \$32.41 a reduction of more than 10%. This represents a decrease of \$3.68 from the 2020 conversion factor of \$36.09
- ◆ Chief among the fee schedule changes is an increase in relative value units (RVUs) – and reimbursement – for primary care services and chronic disease management. But in order to offset the changes to RVUs for the services, the rule also includes a reduction in the payment conversion factor to meet the budget neutrality requirement.
- ◆ The rule revalues and increases payment rates for CPT codes related to these E/M services, typically delivered by primary care providers. Therefore, those physicians with a greater share of E/M services will see a pay bump. For example, the rule estimates an increase in the impact of total allowed charges to family practice (+13%), general practice (+8%), endocrinologists (+17%) and rheumatologists (+14%).

Table 1. 2021 Work RVUs for Office/Outpatient E/M Codes

Code	2020 Work RVU	2021 Work RVU	Code	2020 Work RVU	2021 Work RVU
99201	0.48	xxxxx	99211	0.18	0.18
99202	0.93	0.93	99212	0.48	0.70
99203	1.42	1.60	99213	0.97	1.30
99204	2.43	2.60	99214	1.50	1.92
99205	3.17	3.50	99215	2.11	2.80

Reminders

In general providers will use MDM and reserve the use of time-based coding for when the time required to complete the care exceeds the medical complexity of the case.

The extent of history and physical documentation will no longer drive coding decisions and should focus on demonstrating medical decision making.

The total time will not include time for activities the clinical staff normally performs.

If a test/study is independently interpreted in order to manage the patient as part of the E/M service, but is not separately reported, then it can be included as part of medical decision making.

Referring a patient without evaluation or noting that another provider is managing a condition without additional assessment does not qualify a being addressed/managed by the provider.

References

- 1) CPT E & M Office or Other Outpatient (99202-992-5) and Prolonged Services (99354, 99355, 99356, 99XXX) Code and Guideline Changes. <https://www.ama-assn.org/system/files/2019-06/cpt-office-prolonged-svs-code-changes.pdf> Accessed November 2021.
- 2) What's Changing for E/M Codes 99201-99215 in 2021? AAPC. <https://www.aapc.com/evaluation-management/em-codes-changes-2021.aspx> Accessed November 2021.

**Table 2 – CPT E/M Office Revisions
Level of Medical Decision Making (MDM)**

Revisions effective January 1, 2021:
Note: this content will not be included in the CPT 2020 code set release

Code	Level of MDM (Based on 2 out of 3 Elements of MDM)	Number and Complexity of Problems Addressed	Elements of Medical Decision Making Amount and/or Complexity of Data to be Reviewed and Analyzed <i>*Each unique test, order, or document contributes to the combination of 2 or combination of 3 in Category 1 below.</i>	Risk of Complications and/or Morbidity or Mortality of Patient Management
99211	N/A	N/A	N/A	N/A
99202	Straightforward	Minimal • 1 self-limited or minor problem	Minimal or none	Minimal risk of morbidity from additional diagnostic testing or treatment
99203	Low	Low • 2 or more self-limited or minor problems; or • 1 stable chronic illness; or • 1 acute, uncomplicated illness or injury	Limited (Must meet the requirements of at least 1 of the 2 categories) Category 1: Tests and documents • Any combination of 2 from the following: • Review of prior external note(s) from each unique source*; • Review of the result(s) of each unique test*; • Ordering of each unique test* or Category 2: Assessment requiring an independent historian(s) (For the categories of Independent Interpretation of tests and discussion of management or test interpretation, see moderate or high)	Low risk of morbidity from additional diagnostic testing or treatment
99204	Moderate	Moderate • 1 or more chronic illnesses with exacerbation, progression, or side effects of treatment; or • 2 or more stable chronic illnesses; or • 1 undiagnosed new problem with uncertain prognosis; or • 1 acute illness with systemic symptoms; or • 1 acute complicated injury	Moderate (Must meet the requirements of at least 1 out of 3 categories) Category 1: Tests, documents, or independent historian(s) • Any combination of 3 from the following: • Review of prior external note(s) from each unique source*; • Review of the result(s) of each unique test*; • Ordering of each unique test*; • Assessment requiring an independent historian(s) or Category 2: Independent interpretation of tests • Independent interpretation of a test performed by another physician/other qualified health care professional (not separately reported); or Category 3: Discussion of management or test interpretation • Discussion of management or test interpretation with external physician/other qualified health care professional (appropriate source (not separately reported))	Moderate risk of morbidity from additional diagnostic testing or treatment Examples only: • Prescription drug management • Decision regarding minor surgery with identified patient or procedure risk factors • Decision regarding elective major surgery without identified patient or procedure risk factors • Diagnosis or treatment significantly limited by social determinants of health
99205	High	High • 1 or more chronic illnesses with severe exacerbation, progression, or side effects of treatment; or • 1 acute or chronic illness or injury that poses a threat to life or bodily function	Extensive (Must meet the requirements of at least 2 out of 3 categories) Category 1: Tests, documents, or independent historian(s) • Any combination of 3 from the following: • Review of prior external note(s) from each unique source*; • Review of the result(s) of each unique test*; • Ordering of each unique test*; • Assessment requiring an independent historian(s) or Category 2: Independent interpretation of tests • Independent interpretation of a test performed by another physician/other qualified health care professional (not separately reported); or Category 3: Discussion of management or test interpretation • Discussion of management or test interpretation with external physician/other qualified health care professional (appropriate source (not separately reported))	High risk of morbidity from additional diagnostic testing or treatment Examples only: • Drug therapy requiring intensive monitoring for toxicity • Decision regarding elective major surgery with identified patient or procedure risk factors • Decision regarding emergency/major surgery • Decision regarding hospitalization • Decision not to resuscitate or to de-escalate care because of poor prognosis