DEPARTMENT: Regulatory Compliance Support	POLICY DESCRIPTION: Hospital Evaluation and Management Services
PAGE: 1 of 4	REPLACES POLICY DATED: 1/1/06 (GOS.GEN.008); 3/6/06, 1/01/07, 3/1/08, 11/01/08, 04/01/09, 1/1/18, 2/1/24
EFFECTIVE DATE: July 1, 2025	REFERENCE NUMBER: REGS.GEN.008
APPROVED BY: Ethics and Compliance Policy Committee	

SCOPE: All outpatient departments of Company-affiliated hospitals paid under the Medicare Outpatient Prospective Payment System (OPPS) reporting facility Evaluation and Management Services (E/M) and all individuals performing or auditing the assignment of the facility evaluation and management (E/M) services and their supervisors including but not limited to:

Emergency Departments
Outpatient Departments
Health Information Management
Ethics and Compliance Officers
Internal Audit

Hospital-based Clinics
Revenue Integrity
Shared Service Centers

(Critical Access Hospitals, Rural Health Clinics, Rural Emergency Hospitals and Physician professional evaluation and management services are excluded from this policy.)

PURPOSE: To mandate that all hospitals paid under the Medicare Outpatient Prospective Payment System (OPPS) follow the HCA Healthcare E/M Standards and assign evaluation and management (E/M) services in accordance with the HCA Healthcare E/M Standards. Use of these standards for E/M assignment is mandatory; however, payer specific billing guidelines should be followed.

POLICY:

1. Each OPPS hospital billing evaluation and management HCPCS/CPT codes must use the mandatory HCA Healthcare E/M Standards applicable to the treatment setting (the HCA Healthcare Emergency Department (ED) E/M Standards, HCA Healthcare Clinic E/M Standards, or HCA Healthcare Wound Care Clinic E/M Standards) to determine the facility E/M level of care reported. In order to ensure that appropriate E/M HCPCS/CPT codes applicable to the treatment setting are being reported, each OPPS hospital must evaluate all separately identifiable areas of the hospital that provide unscheduled E/M services (e.g., ED, Labor & Delivery/OB, Psychiatric Unit, Fast Track, Urgent Care Centers, etc.) to determine if these areas meet the definition of a Type A ED, a Type B ED, or a clinic.

2. Each OPPS hospital must ensure that the methodology used to determine the facility E/M level of care is based on the most current version of the HCA Healthcare E/M Standards applicable to the treatment setting.

3. Vendor software or internal technology used in the selection of the appropriate E/M level must be built and maintained to align with HCA Healthcare E/M Standards.

4. Each person involved in the assignment of the evaluation and management level of care for OPPS hospital services is considered an E/M assigner and must complete the Company-designated E/M education.

5. OPPS hospitals who wish to have an E/M assignment coding review performed must contact the Regs Helpline at https://regshelpline.app.medcity.net for assistance.

PROCEDURE:

1. Upon establishment of a new hospital outpatient department, and at least annually thereafter, OPPS hospitals must ensure the department is using the mandatory HCA Healthcare E/M Standards.
   a. Evaluate each separately identifiable area of the hospital that reports E/M HCPCS/CPT codes to determine whether each area meets the definition of a Type A ED, a Type B ED, or a clinic. The hospital must be able to demonstrate the process they followed for determining the designation of the separately identifiable area and retain documentation of the outcome.
   b. Ensure that E/M assigners and/or auditors can identify, based on medical record documentation, the separately identifiable area where E/M services were provided.
   c. Ensure that each separately identifiable area reporting facility E/M HCPCS/CPT codes is using the applicable current HCA E/M Standards to determine the E/M level of care and is reporting the applicable E/M HCPCS/CPT codes based on its designation.
   d. Ensure that all items, descriptions, and values used to assign the E/M level **match** the current applicable HCA Healthcare E/M Standards.
   e. Ensure that the hospital's E/M level of care methodology for each separately identifiable area does not include any items that are not included in the applicable current HCA Healthcare E/M Standards.
   f. Ensure that the E/M level of care methodology for each separately identifiable area is revised in accordance with updates to the HCA Healthcare E/M Standards.

2. The HCA Healthcare E/M Standards, as well as process flow charts designed to assist in determining the designation for each area, are located on Atlas at the following link: E/M Tools.

   The above steps must be performed/re-performed in the event of any of the following:
   a. A department makes the decision to begin reporting E/M HCPCS/CPT codes.
   b. An existing department has a material change that could impact their designation as a Type A ED, a Type B ED, or a clinic.
   c. The regulatory definition of Type A ED and/or Type B ED changes.
   d. The HCA Healthcare E/M Standards are revised and/or updated.

3. It is the responsibility of the direct supervisor to ensure that each person who is performing or auditing OPPS hospital E/M assignment receives the required hours of E/M education per calendar year. (Continuing Education Requirements Policy, REGS.GEN.007)

4. The facility must be able to validate compliance with this policy when requested.

Regulatory Compliance Support in collaboration with others will define annual monitoring requirements related to this policy.

DEFINITIONS:

Clinic or Outpatient Department: For the purposes of this policy, a clinic is defined as a hospital-based outpatient department, not meeting the definition of a Type A or Type B ED, that provides evaluation and management services that are reported with E/M HCPCS/CPT codes.

E/M Assignment: E/M Assignment is the determination of the hospital's E/M level of care for a patient based on the medical record documentation of services rendered to the patient during the visit. Both the initial determination of the E/M level of care and any subsequent determination resulting from an audit or review of the E/M level of care are considered E/M assignment and any individual performing this function is considered an E/M assigner.

E/M HCPCS/CPT Code: The Evaluation and Management services HCPCS/CPT codes used by OPPS hospitals are included in the HCA E/M standards applicable to the treatment setting.

E/M Level of Care: The E/M level of care indicates the intensity of hospital resources expended to care for the patient during the outpatient visit. CMS requires OPPS hospitals to follow a system of mapping the E/M services provided to the different levels of effort described by the E/M HCPCS/CPT codes. The level of care is determined by using the HCA E/M standards.

E/M Education: E/M Education is defined as the E/M assigner training requirements outlined in the Regulatory Compliance Support education grid under the section *Other Acute and Post Acute Care Job Function Regulatory Training Requirements*, related to the HCA E/M Standards.

Facility E/M: The hospital technical portion of the evaluation and management visit. The facility E/M does not include the physician professional component.

Electronic Tools: Tools may include electronic level of care forms or other decision making tools that are used for E/M assignment

Medicare Outpatient Prospective Payment System (OPPS): The payment system for most outpatient hospital services. Payment for services under the OPPS is calculated based on grouping clinically and resource similar outpatient services into ambulatory payment classification (APC) groups. The OPPS applies to all hospital outpatient departments except Rural Health Clinics. Hospitals excluded from OPPS are hospitals that provide only inpatient services; Critical Access Hospitals (CAHs); Indian Health Service hospitals; hospitals located in American Samoa, Guam, Saipan, and the Virgin Islands; certain hospitals in Maryland that are paid under Maryland waiver

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provisions.

Type A ED: Reports ED E/M CPT codes and is a hospital based department that operates 24 hours a day, 7 days a week **and** is also either:
- licensed by the state in which it is located under applicable State law as an emergency department, **OR**
- 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.

Type B ED: Reports ED E/M HCPCS G-codes and is a hospital based department that:
- is licensed by the state in which it is located under applicable State law as an emergency room or department but does not operate 24 hours a day, 7 days a week; **OR**
- is held out 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 but does not operate 24 hours a day, 7 days a week; **OR**
- 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. (The one-third determination should be based on a representative sample of patient visits that occurred during the calendar year immediately preceding the calendar year in which a determination under the regulations is being made.)

Vendor Software: Software functionality referred to as computer assisted coding (CAC) uses natural language processing and rules to "read" the patient record and suggest the ED E/M level.

REFERENCES:

1. 65 FR 18451, Office of Inspector General; Medicare Program; Prospective Payment System for Hospital Outpatient Services
2. *Federal Register,* November 1, 2006, Final Rule CY2007
3. CMS "OPPS Visit Codes Frequently Asked Questions" March 2007
4. *Federal Register,* December 10, 2013, Final Rule CY 2014