Emergency Department Visit Leveling

Last Updated: 2/12/2025 **Last Reviewed: 2/12/2025** **Originally Effective: 2/18/2021**

Last update includes payment policy changes, subject to 28 TAC §3.3703(a)(20)(D)? No

If yes, Texas Last Update Effective Date: n/a **Policy #: RPM075**

Scope

Companies: Moda Partners, Inc. and its subsidiaries & affiliates (All) **Provider Contract Status:** Any

Claim Forms: CMS1500 & CMS1450 (paper and electronic versions) **Claim Dates:** Details below

Reimbursement Guidelines

A. General

Emergency department (ED) evaluation and management (E/M) services are reimbursed based on the level of acuity, complexity, and severity. Reimbursement determinations are based on:

- Medical necessity/utilization criteria; see "Leveling of Emergency Room Services," Moda Health Medical Necessity Criteria [B].
- The patient's primary discharge diagnosis.
- The patient's age.

Initially implemented for professional visit services, effective September 1, 2022, the policy expanded to include the facility component. Provider notification was issued before each phase of implementation.

B. Controlling Factor for Level of Service

Medical complexity is the controlling factor when determining level of service for Evaluation and Management (E&M) codes. A medically appropriate history and exam are to be performed and documented, but with the 2023 E/M code revisions, the ER visit code selection is based on medical decision making (MDM). The level of MDM is determined by the complexity of the patient's condition and level of risk involved. Time may not be used to select the level of an emergency department E/M service.[12]

C. Leveling Adjustments

When a Level 4 (99284) or Level 5 (99285) emergency room E/M service is submitted with a diagnosis indicating a lower level of acuity, complexity, or severity, the service will automatically be reimbursed at the Level 3 (99283) reimbursement rate.

1. The submitted procedure code will be changed to 99283 in the claims processing system and on the Explanation of Payment (EOP) and 835 electronic file. This change is required to price the line item at the Level 3 (99283) reimbursement rate.

2. The line item will be processed with the following explanation code:

EX code w51	The information furnished does not substantiate the need for the billed level of service.
CARC 150	Payer deems the information submitted does not support this level of service.
RARC M26	The information furnished does not substantiate the need for this level of service. If you have collected any amount from the patient for this level of service /any amount that exceeds the limiting charge for the less extensive service, the law requires you to refund that amount to the patient within 30 days of receiving this notice. The requirements for refund are in 1824(I) of the Social Security Act and 42CFR411.408. The section specifies that physicians who knowingly and willfully fail to make appropriate refunds may be subject to civil monetary penalties and/or exclusion from the program. If you have any questions about this notice, please contact this office.

3. Please note that "…the billed level of service…" and "…this level of service…" in the explanation code, CARC, and RARC refers to the Level 4 (99284) or Level 5 (99285) emergency room E/M service submitted on the incoming claim and not the Level 3 (99283) emergency room E/M procedure code used for processing and pricing the line item.

D. Determining Level of Acuity and Risk for ED Visit

Medical complexity (risk) is evaluated during adjudication by using the primary discharge diagnosis code.

A list of diagnosis codes that have been deemed to represent low acuity non-emergent conditions is used for the adjudication analysis during claims processing. This list of diagnosis codes has been developed by a group of emergency department physicians, state Medicaid chief medical officers, and other clinical medical professional providers. [5, 6, 7]

E. Coding Requirements

Bill the patient's primary discharge diagnosis in the first diagnosis position on the emergency room visit claim form.

Definitions

Acronyms/Abbreviations

Acronym	Definition
AHA	American Hospital Association
AMA	American Medical Association
APC	Ambulatory Payment Classification
ASC	Ambulatory Surgery Center
ASO	Administrative Services Only
CAH	Critical Access Hospital
CCI	Correct Coding Initiative (see "NCCI")
CMS	Centers for Medicare and Medicaid Services
CPT	Current Procedural Terminology

Acronym	Definition
DRG	Diagnosis Related Group (also known as/see also MS DRG)
ED	Emergency Department (also known as/see also ER)
EOB	Explanation of Benefits
EOP	Explanation of Payment
ER	Emergency Room (also known as/see also ED)
FAH	Federation of American Hospitals
HAC	Hospital Acquired Condition
HCPCS	Healthcare Common Procedure Coding System (acronym often pronounced as "hick picks")
HFMA	Healthcare Financial Management Association
HIPAA	Health Insurance Portability and Accountability Act
ICD	International Classification of Diseases
ICD-10	International Classification of Diseases, Tenth Edition
ICD-10-CM	International Classification of Diseases, Tenth Edition, Clinical Modification
ICD-10-PCS	International Classification of Diseases, Tenth Edition, Procedure Coding System
LANE	Low Acuity Non-Emergent
MCG	Milliman Care Guidelines
MPFSDB	(National) Medicare Physician Fee Schedule Database (aka RVU file)
MS DRG	Medicare Severity Diagnosis Related Group (also known as/see also DRG)
NCCI	National Correct Coding Initiative (aka “CCI”)
NUBC	National Uniform Billing Committee
NUCC	National Uniform Claim Committee
OPPS	Outpatient Prospective Payment System
PDR	Payment Disbursement Register
POA	Present on Admission
RPM	Reimbursement Policy Manual (e.g., in context of “RPM052” policy number, etc.)
RVU	Relative Value Unit
TOB	Type of Bill
UB	Uniform Bill
UHDDS	Uniform Hospital Discharge Data Set

Definition of Terms

Term	Definition
Acuity	The severity of a patient’s illness and the level of attention or service he or she will need from professional staff. [8]
Medical Complexity	A reference to the medical decision making needed and the level of risk involved in assessing and treating the patient’s condition.
Non-Emergent Condition	Conditions for which a delay of several hours for a medical screening examination and treatment would not increase the likelihood of an adverse outcome. [B, 9]

Place of Service Code

Note: Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the effective date for nonmedical data code sets, of which the POS code set is one, is the code set in effect the date the transaction is initiated. It is not date of service. [3]

Code	Short Description	Place of Service Code Long Description
23	**Emergency Room – Hospital**	A portion of a hospital where emergency diagnosis and treatment of illness or injury is provided.

Related Policies

A. "Moda Health Reimbursement Policy Overview." Moda Health Reimbursement Policy Manual, RPM001.
B. "Leveling of Emergency Room Services," Moda Health Medical Necessity Criteria.

Resources

1. AMA. "Evaluation and Management (E/M) Services Guidelines." Current Procedural Terminology (CPT) – Professional Edition 2020. 2020. Page 10.
2. AMA. "Coding Consultation: Evaluation and Management." CPT Assistant, September 2002, page 11.
3. Optum360. "Appendix C — Evaluation and Management Extended Guidelines, Emergency Department Services, New or Established Patient." Current Procedural Coding Expert. 2019. Page 618, Footnote 1.
4. Optum360. "Current Procedural Coding Expert, Appendix C — Evaluation and Management Extended Guidelines, Emergency Department Services, New or Established Patient." Current Procedural Coding Expert. 2019. Page 618, Footnote 3.
5. Mercer. "Addressing the Problem of Low Acuity Non-Emergent ED Visits." Mercer Government Human Services Consulting. 2019. Last accessed November 30, 2020. https://www.mercer-government.mercer.com/content/dam/mercer-subdomains/us-government/attachments/secured-fact-sheets/6009740b(21)-HB%20Addressing%20the%20Problem%20of%20Low%20Acuity%20in%20Non-Emergent%20ED%20Visits%20(LANE%20Sell%20Sheet)_V2c_AP_SEC.pdf .
6. NJMMIS. "Triage Fee Reimbursement For Non-Emergent Emergency Room Visits." State of New Jersey Department of Human Services Division of Medical Assistance & Health Services, Medicaid Newsletter, November 2018, Volume 28, No. 20. Last accessed November 30, 2020. https://www.njmmis.com/downloadDocuments/28-20.pdf .
7. NJ-ACEP (NJMMIS Newsletter posting). "Triage Fee Reimbursement For Non-Emergent Emergency Room Visits." American College of Emergency Physicians, New Jersey Chapter (NJ-ACEP). https://www.njacep.org/Portals/0/Medicaid%20Newsletter%20Nov%202018%20Vol%2028%20No%2020%20-%20ED%20Triage%20Reimbursement%20Non-emergent%20Diagnosis%20Codes.pdf .
8. Taber's Online. Unbound Medicine, Inc. Last accessed November 30, 2020. https://www.tabers.com/tabersonline/view/Tabers-Dictionary/745988/all/acuity#:~:text=acuere%2C%20to%20sharpen%5D-,1.,%2Dk%C5%AB%E2%80%B2%C4%ADt%2D%C4%93) .
9. KMR. "TRIAGE in the Emergency Department." Key Medical Resources, Inc. Last updated August 2018; last accessed November 30, 2020. http://www.keymedinfo.com/site/667KeyM/Key_Medical_Home_Study_-_Triage_in_Emergency_Department_Using_ESi_(5_Levels)_Self_Study_8.2015_in_PDF_Format_for_email_and_posting.pdf.
10. AMA. "E/M Office or Other Outpatient Visit Revisions for 2021: MDM Part 1." CPT Assistant, May 2020:3-8.
11. AMA. "E/M Office or Other Outpatient Visit Revisions for 2021: MDM Part 2." CPT Assistant, June 2020:3-9.
12. AMA. "E/M Revisions for 2023: An Overview." CPT Assistant, August 2022:3-7.

Policy History

Reminder: The most current version of our reimbursement policies can be found on our provider website. If you are using a printed or saved electronic version of this policy, please verify the information by going to: https://www.modahealth.com/medical/policies_reimburse.shtml

Date	Summary of Update
2/12/2025	Clarified code selection information per 2023 E/M code changes. Reconsideration information removed. Updated Resources. Formatting updates.
11/13/2024	Clarified the 2022 expansion of Scope. Added Attachments 1 & 2. Formatting updates.
10/9/2024	Updated Cross References. Formatting updates. No policy changes.
10/11/2023	Formatting updates. No policy changes.
2/8/2023	Clarified appeal review process.
12/14/2022	Idaho added to Scope. Formatting updates. No policy changes.
7/19/2022	Clarified Scope of policy application.
6/8/2022	Updated Scope, Acronyms. Formatting updates. Policy History entries prior to 2022 omitted (in archive storage). No policy changes.
12/17/2020	Policy document initially approved by the Reimbursement Administrative Policy Review Committee & initial publication.
2/18/2021	Original Effective Date (with or without formal documentation). Policy based on a decision by Healthcare Services and Claims executives and industry analysis of medical complexity of emergency department visits. [5, 6, 7]

Attachment 1

PO Box 40384
Portland, OR 97240

December 29, 2020

< Professional Emergency Room Services Leveling – Effective 2/18/2021>

<Provider Name>

<Address 1>
<Address 2>
<City>, <ST> <Zip Code>

Dear Billing/Office Manager,

This notice is to inform you that effective February 18, 2021, Moda Health is implementing a new policy for professional claims for emergency department evaluation and management (E&M) services. This policy is based on coding principals established by the Centers for Medicare and Medicaid Services (CMS) to follow the intent of CPT code descriptions.

For Level 4 and 5 E&M visits (CPT codes 99284 & 99285), a non-emergent diagnosis does not support the need for a high level of visit acuity. These claims will automatically be reimbursed at the level 3 (CPT code 99283) rate. Moda utilizes a list of diagnosis codes developed by medical professionals to determine what is classified as a non-emergent visit. These diagnosis codes are a lower level of complexity and severity.

This policy applies to the professional component of emergency room claims and is intended to ensure emergency department providers are reporting the appropriate level of acuity and services provided. For more information, including on what to do if a provider disagrees with claim adjudication, please review the Reimbursement Policy found here: https://www.modahealth.com/medical/policies_reimburse.shtml.

Questions?
We are here to help. Please email medical@modahealth.com or call us at 877-605-3229.

Sincerely,
Moda Health Medical Provider Relations

Attachment 2

PO Box 40384
Portland, OR 97240

< Facility Emergency Room Services Leveling – Effective 9/1//2022>

June 29, 2022

<Provider Name>

<Address 1>
<Address 2>
<City>, <ST> <Zip Code>

Dear Billing/Office Manager,

This notice is to inform you that effective September 1, 2022, Moda Health is updating the policy for emergency department evaluation and management (E&M) services to include facility claims. This policy is based on coding principals established by the Centers for Medicare and Medicaid Services (CMS) to follow the intent of CPT code descriptions.

For Level 4 and 5 E&M visits (CPT codes 99284 & 99285), a non-emergent diagnosis does not support the need for a high level of visit acuity. These claims will be reimbursed at the level 3 (CPT code 99283) rate. Moda utilizes a list of diagnosis codes developed by medical professionals to determine what is classified as a non-emergent visit. These diagnosis codes are a lower level of complexity and severity.

This policy was originally implemented for the professional component in February 2021, but will now also apply to the facility component of emergency department claims. It is intended to ensure emergency department providers are reporting the appropriate level of acuity and services provided. For more information, including on what to do if a provider disagrees with claim adjudication, please review the Reimbursement Policy found here: https://www.modahealth.com/medical/policies_reimburse.shtml.

Questions?
We are here to help. Please email medical@modahealth.com or call us at 877-605-3229.

Sincerely,
Moda Health Medical Provider Relations