



Updating Medicare Manual with Policy Changes in the CY 2020 & CY 2021 Final Rules

Related CR Release Date: February 9, 2023

MLN Matters Number: MM13064

Effective Date: January 1, 2023

Related Change Request (CR) Number: [CR 13064](#)

Implementation Date: May 9, 2023

Related CR Transmittal Number: R11842CP

Related CR Title: Internet-Only Manual (IOM) Updates to Pub. 100-04, Chapter 12 for the New Hospital Inpatient or Observation Care Code Family, Nursing Facility Visits Code Family, Billing the Substantive Portion of a Split (or Shared) Visit, Changes for Prolonged Services, and Updates to the IOM with Policies Finalized for Office/Outpatient E/M Visits in the CY2020 and CY2021 Final Rates

Affected Providers

- Physicians
- Hospitals
- Suppliers
- Other providers billing Medicare Administrative Contractors (MACs) for services they provide to Medicare patients

Action Needed

Make sure your billing staff is aware of the updated billing instructions for the:

- Nursing facility visits code family
- Hospital inpatient or observation care code family
- Substantive portion of a split, or shared, visit

Background

Starting in 2023, CMS merged 2 evaluation and management (E/M) visit families, inpatient or observation, into 1 E/M code family, titled Hospital Inpatient or Observation Care. Use codes in this family to report E/M services you provide to a patient. There are no changes to the included care settings from each respective prior family. The care settings for each are in the new merged family.

Starting January 1, 2023, we deleted CPT code 99318 (Other Nursing Facility Service) as it's no

longer needed to report an annual nursing facility assessment visit on the required annual schedule of visits. Effective for dates of service (DOS) on January 1, 2023, and later, for Medicare Part B payment policy, use the regular code set for nursing facility services. This incorporates CPT coding updates and updates to the CPT E/M Guidelines.

Also starting in 2023, we finalized our proposed policy to delay implementation of our definition of the substantive portion as more than half of the total practitioner time until January 1, 2024. There are no changes to the current split, or share, visit policy other than the definition of substantive portion.

We're adding material to update the office and outpatient sections of Chapter 12 of the Medicare Claims Processing Manual that were effective in CY 2021, including changes for prolonged services. For key details, see the following:

- [Section 30.6.1. B](#) – selection of level of E/M service
- [Section 30.6.7 E & F](#) – prolonged office and outpatient visits and add-on code for E/M visit complexity
- [Section 30.6.8 B](#) – physician billing for observation care following initiation of observation services
- [Section 30.6.9](#) – payment for inpatient hospital visits
- [Section 30.6.13](#) – nursing facility visits
- [Section 30.6.15](#) – prolonged services

More Information

We issued CR 13064 to your MAC as the official instruction for this change.

For more information, [find your MAC's website](#).

Document History

Date of Change	Description
May 17, 2023	Initial article released.

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