

## EVALUATION AND MANAGEMENT GUIDELINES

This Fee Schedule has been updated to incorporate by reference the 2018 Edition of the American Medical Association's *Physicians' Current Procedural Terminology*, Fourth Edition (CPT®-4), including the general guidelines, identifiers, modifiers, and terminology changes associated with the adopted codes. In this Fee Schedule CPT® codes that contain explanatory language specific to Arizona are preceded by Δ. Codes, however, that are unique to Arizona and not otherwise found in CPT®-4 are preceded by an AZ identifier and numbered in the following format: AZ0xx-xxx. Additional information regarding publications adopted by reference is found in the Introduction of the Fee Schedule.

The evaluation and management guidelines adopted by reference may be found in the *Current Procedural Terminology®*, *Fourth Edition* ("CPT® book") published by the AMA and is reprinted, in part, below with permission. To the extent that a conflict may exist between an adopted portion of the CPT®-4 and a code, guideline, identifier or modifier unique to Arizona, then the Arizona code, guideline, identifier or modifier shall control.

A. **CLASSIFICATION OF EVALUATION AND MANAGEMENT (E/M) SERVICES:** The E/M section is divided into broad categories such as office visits, hospital visits, and consultations. Most of the categories are further divided into two or more subcategories of E/M services. For example, there are two subcategories of office visits (new patient and established patient) and there are two subcategories of hospital visits (initial and subsequent). The subcategories of E/M services are further classified into levels of E/M services that are identified by specific codes. This classification is important because the nature of work varies by type of service, place of service, and the patient's status.

The basic format of the levels of E/M services is the same for most categories. First, a unique code number is listed. Second, the place and/or type of service is specified, e.g., office consultation. Third, the content of the service is defined, e.g. comprehensive history and comprehensive examination. (See "Levels of E/M Services" for details on the content of E/M services). Fourth, the nature of the presenting problem(s) usually associated with a given level is described. Fifth, the time typically required to provide the service is specified. (A detailed discussion of time is provided below).

B. **DEFINITIONS OF COMMONLY USED TERMS:** Certain key words and phrases are used throughout the E/M section. The following definitions are intended to reduce the potential for differing interpretations and to increase the consistency of reporting by physicians in differing specialties. E/M services may also be reported by other qualified health care professionals who are authorized to perform such services within the scope of their practice.

- **New and Established Patient:** Solely for the purposes of distinguishing between new and established patients, professional services are those face-to-face services rendered by physicians and other qualified health care professionals who may report evaluation and management services reported by a specific CPT code(s). A new patient is one who has not received any professional services from the physician/qualified health care professional or another physician/qualified health care professional of the exact same

specialty and subspecialty who belongs to the same group practice, within the past three years.

An established patient is one who has received professional services from the physician/qualified health care professional or another physician/qualified health care professional of the exact same specialty and subspecialty who belongs to the same group practice, within the past three years.

In the instance where a physician/qualified health care professional is on call for or covering for another physician/qualified health care professional, the patient's encounter will be classified as it would have been by the physician/qualified health care professional who is not available. When advanced practice nurses and physician assistants are working with physicians they are considered as working in the exact same specialty and exact same subspecialties as the physician.

No distinction is made between new and established patients in the emergency department. E/M services in the emergency department category may be reported for any new or established patient who presents for treatment in the emergency department.

- **Chief Complaint:** A chief complaint is a concise statement describing the symptom, problem, condition, diagnosis, or other factor that is the reason for the encounter, usually stated in the patient's words.
- **Concurrent Care and Transfer of Care:** Concurrent care is the provision of similar services (e.g., hospital visits) to the same patient by more than one physician or other qualified health care professional on the same day. When concurrent care is provided, no special reporting is required. Transfer of care is the process whereby a physician or other qualified health care professional who is providing management for some or all of a patient's problems relinquishes this responsibility to another physician or other qualified health care professional who explicitly agrees to accept this responsibility and who, from the initial encounter, is not providing consultative services. The physician or other qualified health care professional transferring care is then no longer providing care for these problems though he or she may continue providing care for other conditions when appropriate. Consultation codes should not be reported by the physician or other qualified health care professional who has agreed to accept transfer of care before an initial evaluation but are appropriate to report if the decision to accept transfer of care cannot be made until after the initial consultation evaluation, regardless of site of service.
- **Counseling:** Counseling is a discussion with a patient and/or family concerning one or more of the following areas:
  - Diagnostic results, impressions, and/or recommended diagnostic studies;
  - Prognosis;
  - Risks and benefits of management (treatment) options;
  - Instructions for management (treatment) and/or follow-up;
  - Importance of compliance with chosen management (treatment) options;

- Risk factor reduction; and
  - Patient and family education.  
(For psychotherapy, see 90832-90834, 90836-90840)
- Family History: A review of medical events in the patient's family that includes significant information about:
    - The health status or cause of death of parents, siblings and children;
    - Specific diseases related to problems identified in the Chief Complaint or History of the Present Illness, and/or System Review;
    - Diseases of family members which may be hereditary or place the patient at risk.
  - History of Present Illness: A chronological description of the development of the patient's present illness from the first sign and/or symptom to the present. This includes a description of location, quality, severity, timing, context, modifying factors, and associated signs and symptoms significantly related to the presenting problem(s).
  - Levels of E/M Services: Within each category or subcategory of E/M service, there are three to five levels of E/M services available for reporting purposes. Levels of E/M services are NOT interchangeable among the different categories or subcategories of service. For example, the first level of E/M services in the subcategory of office visit, new patient, does not have the same definition as the first level of E/M services in the subcategory of office visit, established patient.

The levels of E/M services include examinations, evaluations, treatments, conferences with or concerning patients, preventive pediatric and adult health supervision, and similar medical services, such as the determination of the need and/or location for appropriate care. Medical screening includes the history, examination, and medical decision-making required to determine the need and/or location for appropriate care and treatment of the patient (e.g., office and other outpatient setting, emergency department, nursing facility). The levels of E/M services encompass the wide variations in skill, effort, time, responsibility and medical knowledge required for the prevention or diagnosis and treatment of illness or injury and the promotion of optimal health. Each level of E/M services may be used by all physicians or other qualified health care professionals.

The descriptors for the levels of E/M services recognize seven components, six of which are used in defining the levels of E/M services. These components are:

- History;
- Examination;
- Medical decision making;
- Counseling;
- Coordination of care;
- Nature of presenting problem; and
- Time.

The first three of these components (history, examination and medical decision making) are considered the key components in selecting a level of E/M services.

The next three components (counseling, coordination of care, and the nature of the presenting problem) are considered contributory factors in the majority of encounters. Although the first two of these contributory factors are important E/M services, it is not required that these services be provided at every patient encounter.

Coordination of care with other physicians, other health care professionals, or agencies without a patient encounter on that day is reported using the case management codes.

The final component, time, is discussed in the following pages.

Any specifically identifiable procedure (i.e., identified with a specific CPT code) performed on or subsequent to the date of initial or subsequent E/M services should be reported separately.

The actual performance and/or interpretation of diagnostic test/studies ordered during a patient encounter are not included in the levels of E/M services. Physician performance of diagnostic tests/studies for which specific CPT® codes are available may be reported separately, in addition to the appropriate E/M code. The physician's interpretation of the results of diagnostic tests/studies (i.e., professional component) with preparation of a separate distinctly identifiable signed written report may also be reported separately, using the appropriate CPT code with modifier 26 appended.

The physician or other health care professional may need to indicate that on the day a procedure or service identified by a CPT code was performed, the patient's condition required a significant separately identifiable E/M service above and beyond other services provided or beyond the usual preservice and post service care associated with the procedure that was performed. The E/M service may be caused or prompted by the symptoms or condition for which the procedure and/or service was provided. This circumstance may be reported by adding modifier 25 to the appropriate level of E/M service. As such, different diagnoses are not required for reporting of the procedure and the E/M services on the same date.

- **Nature of Presenting Problem:** A presenting problem is a disease, condition, illness, injury, symptom, sign, finding, complaint, or other reason for encounter, with or without a diagnosis being established at the time of the encounter. The E/M codes recognize five types of presenting problems that are defined as follows:

**Minimal** - A problem that may not require the presence of the physician or other qualified health care professional, but service is provided under the physician's or other qualified health care professional's supervision.

**Self-limited or Minor** - A problem that runs a definite and prescribed course, is transient in nature, and is not likely to permanently alter health status OR has a good prognosis with management/compliance.

Low severity - A problem where the risk of morbidity without treatment is low; there is little to no risk of mortality without treatment; full recovery without functional impairment is expected.

Moderate severity - A problem where the risk of morbidity without treatment is moderate; there is moderate risk of mortality without treatment; uncertain prognosis OR increased probability of prolonged functional impairment.

High severity - A problem where the risk of morbidity without treatment is high to extreme; there is a moderate to high risk of mortality without treatment OR high probability of severe, prolonged functional impairment.

- Past History: A review of the patient's past experiences with illnesses, injuries, and treatments that includes significant information about:
  - Prior major illnesses and injuries;
  - Prior operations;
  - Prior hospitalizations;
  - Current medications;
  - Allergies (e.g., drug, food);
  - Age appropriate immunization status;
  - Age appropriate feeding/dietary status.
  
- Social History: An age appropriate review of past and current activities that includes significant information about:
  - Marital status and/or living arrangements;
  - Current employment;
  - Occupational history;
  - Military history;
  - Use of drugs, alcohol, and tobacco;
  - Level of education;
  - Sexual history;
  - Other relevant social factors.
  
- System Review (Review of Systems): An inventory of body systems obtained through a series of questions seeking to identify signs and/or symptoms that the patient may be experiencing or has experienced. For the purposes of CPT®, the following elements of a system review have been identified:
  - Constitutional symptoms (fever, weight loss, etc.);
  - Eyes;
  - Ears, nose, mouth, throat;
  - Cardiovascular;
  - Respiratory;
  - Gastrointestinal;
  - Genitourinary;

- Musculoskeletal;
- Integumentary (skin and/or breast);
- Neurological;
- Psychiatric;
- Endocrine;
- Hematologic/Lymphatic;
- Allergic/Immunologic.

The review of systems helps define the problem, clarify the differential diagnosis, identify needed testing, or serves as baseline data on other systems that might be affected by any possible management options.

- Time: The inclusion of time in the definitions of levels of E/M services has been implicit in prior editions of CPT®. The inclusion of time as an explicit factor beginning in CPT® 1992 is done to assist in selecting the most appropriate level of E/M services. It should be recognized that the specific times expressed in the visit code descriptors are averages and, therefore, represent a range of times which may be higher or lower depending on actual clinical circumstances.

Time is **not** a descriptive component for the emergency department levels of E/M services because emergency department services are typically provided on a variable intensity basis, often involving multiple encounters with several patients over an extended period of time. Therefore, it is often difficult to provide accurate estimates of the time spent face-to-face with the patient.

Studies to establish levels of E/M services employed surveys of practicing physicians to obtain data on the amount of time and work associated with typical E/M services. Since “work” is not easily quantifiable, the codes must rely on other objective, verifiable measures that correlate with physicians’ estimates of their “work.” It has been demonstrated that estimations of intraservice time (as explained below), both within and across specialties, is a variable that is predictive of the “work” of E/M services. This same research has shown there is a strong relationship between intraservice time and total time for E/M services. Intraservice time, rather than total time, was chosen for inclusion with the codes because of its relative ease of measurement and because of its direct correlation with measurements of the total amount of time and work associated with typical E/M services.

Intraservice times are defined as **face-to-face** time for office and other outpatient visits and as **unit/floor** time for hospital and other inpatient visits. This distinction is necessary because most of the work of typical office visits takes place during the face-to-face time with the patient, while most of the work of typical hospital visits takes place during the time spent on the patient’s floor or unit. When prolonged time occurs in either the office or the inpatient areas, the appropriate add-on code should be reported.

Face-to-face time (office and other outpatient visits and office consultations): For coding purposes, face-to-face time for these services is defined as only that time spent

face-to-face with the patient and/or family. This includes the time spent performing such tasks as obtaining a history, performing an examination, and counseling the patient.

Time is also spent doing work before or after the face-to-face time with the patient, performing such tasks as reviewing records and tests, arranging for further services, and communicating further with other professionals and the patient through written reports and telephone contact.

This non-face-to-face time for office services – also called pre- and post-encounter time – is not included in the time component described in the E/M codes. However, the pre- and post-non-face-to-face work associated with an encounter was included in calculating the total work of typical services in physician surveys.

Thus, the face-to-face time associated with the services described by any E/M code is a valid proxy for the total work done before, during, and after the visit.

Unit/floor time (hospital observation services, inpatient hospital care, initial inpatient hospital consultations, nursing facility): For reporting purposes, intraservice time for these services is defined as unit/floor time, which includes the time present on the patient’s hospital unit and at the bedside rendering services for that patient. This includes the time to establish and/or review the patient’s chart, examine the patient, write notes, and communicate with other professionals and the patient’s family.

In the hospital, pre- and post-time includes time spent off the patient’s floor performing such tasks as reviewing pathology and radiology findings in another part of the hospital.

This pre- and post-visit time is not included in the time component described in these codes. However, the pre- and post-work performed during the time spent off the floor or unit was included in calculating the total work of typical services in physician surveys.

Thus, the unit/floor time associated with the services described by any code is a valid proxy for the total work done before, during, and after the visit.

- C. **UNLISTED SERVICE:** An E/M service may be provided that is not listed in this section of CPT®. When reporting such a service, the appropriate unlisted code may be used to indicate the service, identifying it by “Special Report,” as discussed in item D. The “Unlisted Services” and accompanying codes for the E/M section are as follows:

- 99429 Unlisted preventive medicine service

- 99499 Unlisted evaluation and management service

- D. **SPECIAL REPORT:** An unlisted service or one that is unusual, variable, or new may require a special report demonstrating the medical appropriateness of the service. Pertinent information should include an adequate definition or description of the nature, extent, and need for the procedure and the time, effort, and equipment necessary to provide the service.

Additional items that may be included are complexity of symptoms, final diagnosis, pertinent physical findings, diagnostic and therapeutic procedures, concurrent problems, and follow-up care.

- E. **CLINICAL EXAMPLES:** Clinical examples of the codes for E/M services are provided to assist in understanding the meaning of the descriptors and selecting the correct code. The clinical examples are listed in Appendix C. (*Appendix C of the CPT® has not been reprinted in this text.*) Each example was developed by the specialties shown.

The same problem, when seen by different specialties, may involve different amounts of work. Therefore, the appropriate level of encounter should be reported using the descriptors rather than the examples.

F. **INSTRUCTIONS FOR SELECTING A LEVEL OF E/M SERVICE:**

- Review the Reporting Instructions for the Selected Category or Subcategory: Most of the categories and many of the subcategories of service have special guidelines or instructions unique to that category or subcategory. Where these are indicated, eg, “Inpatient Hospital Care,” special instructions will be presented preceding the levels of E/M services.
- Review the Level of E/M Service Descriptors and Examples in the Selected Category or Subcategory: The descriptors for the levels of E/M services recognize seven components, six of which are used in defining the levels of E/M services. These components are:
  - History;
  - Examination;
  - Medical decision making;
  - Counseling;
  - Coordination of care;
  - Nature of presenting problem;
  - Time.

The first three of these components (ie, history, examination and medical decision making) should be considered the key components in selecting the level of E/M services. An exception to this rule is in the case of visits which consist predominantly of counseling or coordination of care. (See instructions for selecting level of E/M Service).

The nature of the presenting problem and time are provided in some levels to assist the physician in determining the appropriate level of E/M service.

- Determine the Extent of History Obtained: The extent of the history is dependent upon clinical judgment and on the nature of the presenting problem(s). The levels of E/M services recognize four types of history that are defined as follows:

Problem Focused - Chief complaint; brief history of present illness or problem.

Expanded Problem Focused - Chief complaint; brief history of present illness; problem pertinent system review.

Detailed - Chief complaint; extended history of present illness; problem pertinent system review extended to include a review of a limited number of additional systems; pertinent past, family, and/or social history directly related to the patient's problems.

Comprehensive - Chief complaint; extended history of present illness; review of systems that is directly related to the problem(s) identified in the history of the present illness plus a review of all additional body systems; complete past, family, and social history.

The comprehensive history obtained as part of the preventive medicine E/M service is not problem-oriented and does not involve a chief complaint or present illness. It does, however, include a comprehensive system review and comprehensive or interval past, family, and social history as well as a comprehensive assessment/history of pertinent risk factors.

- Determine the Extent of Examination Performed: The extent of the examination performed is dependent on clinical judgment and on the nature of the presenting problem(s). The levels of E/M services recognize four types of examination that are defined as follows:

Problem Focused - A limited examination of the affected body area or organ system.

Expanded Problem Focused - A limited examination of the affected body area or organ system and other symptomatic or related organ system(s).

Detailed - An extended examination of the affected body area(s) and other symptomatic or related organ system(s).

Comprehensive - A general multisystem examination or a complete examination of a single organ system. Note: The comprehensive examination performed as part of the preventive medicine E/M service is multisystem, but its extent is based on age and risk factors identified.

For the purposes of these CPT® definitions, the following body areas are recognized:

- Head, including the face;
- Neck;
- Chest, including breasts and axilla;
- Abdomen;
- Genitalia, groin, buttocks;
- Back;
- Each extremity;

For the purposes of these CPT® definitions, the following organ systems are recognized:

- Eyes;
  - Ears, nose, mouth, and throat;
  - Cardiovascular;
  - Respiratory;
  - Gastrointestinal;
  - Genitourinary;
  - Musculoskeletal;
  - Skin;
  - Neurologic;
  - Psychiatric;
  - Hematologic/Lymphatic/Immunologic.
- **Determine the Complexity of Medical Decision Making:** Medical decision making refers to the complexity of establishing a diagnosis and/or selecting a management option as measured by:
    - The number of possible diagnoses and/or the number of management options that must be considered;
    - The amount and/or complexity of medical records, diagnostic tests, and/or other information that must be obtained, reviewed and analyzed; and
    - The risk of significant complications, morbidity, and/or mortality, as well as comorbidities, associated with the patient’s presenting problem(s), the diagnostic procedure(s) and/or the possible management options.

Four types of medical decision making are recognized: straightforward; low complexity; moderate complexity; and high complexity. To qualify for a given type of decision making, two of the three elements in the table following must be met or exceeded.

**Table 1 – Complexity of Medical Decision Making**

<b>Number of Diagnoses or Management Options</b>	<b>Amount and/or Complexity of Data to be Reviewed</b>	<b>Risk of Complications and/or Morbidity or Mortality</b>	<b>Type of Decision Making</b>
Minimal	Minimal or none	Minimal	Straightforward
Limited	Limited	Low	Low complexity
Multiple	Moderate	Moderate	Moderate complexity
Extensive	Extensive	High	High complexity

Comorbidities/underlying diseases, in and of themselves, are not considered in selecting a level of E/M services unless their presence significantly increases the complexity of the medical decision making.

- Select the Appropriate Level of E/M Services Based on the Following:
  1. For the following categories/subcategories, **all of the key components** i.e., history, examination, and medical decision making, must meet or exceed the stated requirements to qualify for a particular level of E/M service: office, new patient; hospital observation services; initial hospital care; office consultations; initial inpatient consultations; emergency department services; initial nursing facility care; domiciliary care, new patient; and home, new patient.
  2. For the following categories/subcategories, **two of the three key components** (i.e., history, examination, and medical decision making) must meet or exceed the stated requirements to qualify for a particular level of E/M services: office, established patient; subsequent hospital care; subsequent nursing facility care; domiciliary care, established patient; and home, established patient.
  3. When counseling and/or coordination of care dominates (more than 50%) the encounter with the patient and/or family (face-to-face time in the office or other outpatient setting or floor/unit time in the hospital or nursing facility), then **time** shall be considered the key or controlling factor to qualify for a particular level of E/M services. This includes time spent with parties who have assumed responsibility for the care of the patient or decision making whether or not they are family members (e.g., foster parents, person acting in loco parentis, legal guardian). The extent of counseling and/or coordination of care must be documented in the medical record.