

ED Observation Services 2024

Observation services are hospital outpatient services that help the doctor decide whether the patient needs to be admitted as an inpatient or can be discharged. OBS services may be provided in the ED or another hospital area.

There must be a medical OBS record for the patient, which contains dated/timed physician's admitting orders regarding the care the patient is to receive while in OBS, nursing notes, and progress notes prepared by the physician while the patient was in OBS status.

OBS codes report E/M services provided to patients designated/admitted as "observation status." The patient does not need to be in an OBS area defined by the hospital.

Key Documentation:

- Medically appropriate History and Physical (determined by the clinician)
- A physician's order MUST be written/entered before initiating OBS services (order MAY NOT be backdated).
- **TIME** – when observation services began (Patient placed in observation status at _____)
- Reason for observation status
- Document all reassessments, including the date/time.
- A progress/continuation note.
- There are no diagnosis thresholds or requirements. However, they should be reasonable.
- Observation services are billed instead of ED or other E/M CPT codes (when OBS is initiated).
- Subsequent OBS service codes are available (99231-99233) if applicable.
- The final part of the documentation includes the discharge note.
- This should include a summary of the observation stay, pertinent physical exam and diagnostic findings, and a follow-up plan.
- **TIME**- when the patient is discharged, transferred, or admitted.
- When did the observation status finish?
- (MDM) Medical Decision Making must also be captured within the record.