

COFFEE & CODING

Monday, March 18, 2024

Level 3 or Level 4: Getting It Right

Guidelines notwithstanding, deciding whether to apply Level 3 or Level 4 to a patient encounter isn't always easy. In fact, we see a lot of inconsistency and confusion on this point.

While many clinicians accurately code for the appropriate level of service, coders have a particular responsibility to get it right. After all, physicians don't take classes on coding in medical school!

Because getting it right before billing goes out is so important, let's take a little time to review the differences between Level 3 and Level 4.

We'll start this week with Level 3.

First, the basics: Remember that you need to have two of the three categories (Diagnosis, Data, and Risk) for the appropriate level of medical decision-making (MDM).

Let's move to the diagnosis column:

- Acute uncomplicated illness/injury
- Sprain/strains
- Upper respiratory illness
- One stable chronic condition
- Two self-limited issues (simple non-suture lacerations, rash, abrasions)

Now let's review the middle column: amount and/or complexity of DATA to be reviewed and analyzed:

- Review of outside records (specialist/ ed/ imaging)
 - Ordering of labs/tests (urinalysis, A1C, lab work, MRI, XR, CT, etc.)—2 required
- OR
- Historians for children, seniors, or any other patient with communication difficulties

Data typically involves a combination of the examples listed above. For example, to have low complexity, you might document two orders for labs/testing alone + Historian only + one previous record reviewed and one order.

Finally, let's review the **RISK** of complications and/or morbidity/mortality in patient management.

Below are examples of low complexity:

- OTC (over-the-counter medicines)
- DME (Durable medical equipment)
- Referrals to specialists
- Minor surgery without risk factors

Remember: In medical decision-making, two of the three columns (Diagnosis, Data, and Risk) must match in order for you to get your level. If one column is higher than the other two that match, then the level for the higher column must drop accordingly. For example, if the diagnosis was "low," the data was "min," and the risk is "moderate," then you would drop the risk column to match the others and assign a Level 3.

Next week, we'll review Level 4.

Don't miss our "Ask the Experts" Q&A webinar on March 27! 1 hour of AAPC approved CEU credit available!

Click here to register: https://zoom.us/webinar/register/WN_DR96ITB4QVWgI5b2wxmKuw

If you have an E/M coding question you'd like our experts to address during the webinar, please submit it here: <https://survey.hsforms.com/1AI9VoMe-SK6MSUuAypFnmgnig0s>



Michelle Sergei-Casiano

CPC, CFPC, CEMC, CPMA

Senior Manager, Regulatory and Coding Compliance