## Guidelines for Selecting Level of Service Based on Medical Decision Making

https://www.ama-assn.org/system/files/2023-e-m-descriptors-guidelines.pdf

Four types of MDM are recognized: straightforward, low, moderate, and high.

MDM includes establishing diagnoses, assessing the status of a condition, and/or selecting a management option. MDM is defined by three elements. The elements are:

- ***The number and complexity of problem(s) that are addressed during the encounter.***

- ***The amount and/or complexity of data to be reviewed and analyzed.*** These data include medical records, tests, and/or other information that must be obtained, ordered, reviewed, and analyzed for the encounter. This includes information obtained from multiple sources or interprofessional communications that are not reported separately and interpretation of tests that are not reported separately. Ordering a test is included in the category of test result(s) and the review of the test result is part of the encounter and not a subsequent encounter. Ordering a test may include those considered but not selected after shared decision making. For example, a patient may request diagnostic imaging that is not necessary for their condition and discussion of the lack of benefit may be required. Alternatively, a test may normally be performed, but due to the risk for a specific patient it is not ordered. These considerations must be documented. Data are divided into three categories:
    - Tests, documents, orders, or independent historian(s). (Each unique test, order, or document is counted to meet a threshold number.)
    - Independent interpretation of tests (not separately reported).
    - Discussion of management or test interpretation with external physician or other qualified health care professional or appropriate source (not separately reported).

- ***The risk of complications and/or morbidity or mortality of patient management .*** This includes decisions made at the encounter associated with diagnostic procedure(s) and treatment(s). This includes the possible management options selected and those considered but not selected after shared decision making with the patient and/or family. For example, a decision about hospitalization includes consideration of alternative levels of care. Examples may include a psychiatric patient with a sufficient degree of support in the outpatient setting or the decision to not hospitalize a patient with advanced dementia with an acute condition that would generally warrant inpatient care, but for whom the goal is palliative treatment.

The Levels of Medical Decision Making (MDM) table (see below) is a guide to assist in selecting the level of MDM for reporting an E/M services code. The table includes the four levels of MDM (i.e., straightforward, low, moderate, high) and the three elements of MDM (i.e., number and complexity of problems addressed at the encounter, amount and/or complexity of data reviewed and analyzed, and risk of complications and/or morbidity or mortality of patient management). To qualify for a particular level of MDM, two of the three elements for that level of MDM must be met or exceeded.

| Codes and Level of MDM<br>*Based on 2 of 3 MDM Elements | Number and Complexity of Problems Addressed | Amount and/or Complexity of Data to be Reviewed and Analyzed<br>*Each unique test, order, or document contributes to the combination of 2 or combination of 3 in Category 1 below | Risk of Complications and/or Morbidity or Mortality of Patient Management |
|---|---|---|---|
| **Straightforward** | **Minimal**<br>• 1 Self-limited or minor problem | **Minimal or none** | **Minimal** risk of morbidity from additional diagnostic testing or treatment |
| **Low** | **Low** *(one of the following)*<br>• 2 or more self-limited or minor problems<br>• 1 stable, chronic illness<br>• 1 acute, uncomplicated illness or injury<br>• 1 stable, acute illness<br>• 1 acute, uncomplicated illness or injury requiring hospital inpatient or observation level of care | **Limited** (Must meet requirements for at least 1 of the 2 categories)<br>**Category 1: Tests and documents**<br>• Any combination of 2 from the following:<br>  • Review of prior external note(s) from each unique source<br>  • Review of the result(s) of each unique test<br>  • Ordering of each unique test<br>or<br>**Category 2: Assessment requiring an independent historian(s)**<br>**For the categories of independent interpretation of tests and discussion of management or test interpretation, see moderate or high* | **Low** risk of morbidity from additional diagnostic testing or treatment |
| **Moderate** | **Moderate** *(one of the following)*<br>• 1 or more chronic illnesses with exacerbation, progression, or side effects of treatment<br>• 2 or more stable, chronic illnesses<br>• 1 undiagnosed new problem with uncertain prognosis<br>• 1 acute illness with systemic symptoms<br>• 1 acute, complicated injury | **Moderate** (Must meet requirements for at least 1 out of 3 categories)<br>**Category 1: Tests, documents, or independent historian(s)**<br>• Any combination of 3 from the following:<br>  • Review of prior external note(s) from each unique source<br>  • Review of the result(s) of each unique test<br>  • Ordering of each unique test<br>  • Assessment requiring an independent historian(s)<br>or<br>**Category 2: Independent interpretation of tests**<br>• Independent interpretation of a test performed by another physician/QHCP (**not separately reported**)<br>or<br>**Category 3: Discussion of management or test interpretations**<br>• Discussion of management or test interpretation with external physician/QHCP/appropriate source (**not separately reported**) | **Moderate** risk of morbidity from additional diagnostic testing or treatment<br>*Examples only:*<br>*· Prescription drug management*<br>*· Decision regarding minor surgery with identified patient or procedure risk factors*<br>*· Decision regarding elective major surgery without identified risk factors*<br>*· Diagnosis or treatment significantly limited by social determinants of health* |
| **High** | **High** *(one of the following)*<br>• 1 or more chronic illnesses with severe exacerbation, progression or side effects of treatment<br>• 1 acute or chronic illness or injury that poses a threat to life or bodily function | **Extensive** (Must meet requirements for at least 2 out of 3 categories)<br>**Category 1: Tests, documents, or independent historian(s)**<br>• Any combination of 3 from the following:<br>  • Review of prior external note(s) from each unique source<br>  • Review of the result(s) of each unique test<br>  • Ordering of each unique test<br>  • Assessment requiring an independent historian(s)<br>or<br>**Category 2: Independent interpretation of tests**<br>• Independent interpretation of a test performed by another physician/QHCP (**not separately reported**)<br>or<br>**Category 3: Discussion of management or test interpretations**<br>• Discussion of management or test interpretation with external physician/QHCP/appropriate source (**not separately reported**) | **High** risk of morbidity from additional diagnostic testing or treatment<br>Examples:<br>*· Drug therapy requiring intensive monitoring for toxicity*<br>*· Decision regarding elective major surgery with identified patient or procedure risk factors*<br>*· Decision regarding emergency major surgery*<br>*· Decision regarding hospitalization or escalation of hospital-level care*<br>*· Decision not to resuscitate or to de-escalate care because of poor prognosis*<br>*· Parenteral controlled substances* |

## Guidelines for Selecting Level of Service Based on Time

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When time is used for reporting E/M services codes, the time defined in the service descriptors is used for selecting the appropriate level of services. The E/M services for which these guidelines apply require a face-to-face encounter with the physician or other qualified health care professional and the patient and/or family/caregiver.

For coding purposes, time for these services is the total time on the date of the encounter. It includes both the face-to-face time with the patient and/or family/caregiver and non-face-to-face time personally spent by the physician and/or other qualified health care professional(s) on the day of the encounter (includes time in activities that require the physician or other qualified health care professional and does not include time in activities normally performed by clinical

staff). It includes time regardless of the location of the physician or other qualified health care professional (e.g., whether on or off the inpatient unit or in or out of the outpatient office). It does not include any time spent in the performance of other separately reported service(s).

## Time Documentation – Included and Excluded Activities

| Activities That May Be Included in Total Time | Activities Excluded from Total Time |
|---|---|
| ✓ Preparing to see the patient (eg, review of tests) | ▪ The performance of other services that are reported separately |
| ✓ Obtaining and/or reviewing separately obtained history | ▪ Travel |
| ✓ Performing a medically appropriate examination and/or evaluation | ▪ Teaching that is general and not limited to discussion that is required for the management of a specific patient |
| ✓ Counseling and educating the patient/family/caregiver | |
| ✓ Ordering medications, tests, or procedures | |
| ✓ Referring and communicating with other health care professionals (when not separately reported) | |
| ✓ Documenting clinical information in the electronic or other health record | |
| ✓ Independently interpreting results (not separately reported) and communicating results to the patient/family/caregiver | |
| ✓ Care coordination (not separately reported) | |