CPT Procedure Codes vs E&M Codes

Adjudication Guideline

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1. Abstract

1.1 For Members

Billing Rules are the adjudication rules, which are in compliance with official CPT, ICD-CM and regulatory/CCSC coding guidelines.

A billing rule defines the minimum requirements to be met when a service is claimed for a Daman beneficiary in terms of frequency, duration etc.

It explains the minimum required documentation to claim a service. It also defines the coverage of a service under a particular insurance plan administered by Daman.

1.2 For Medical Professionals

Adjudication rules provide an overview of circumstances in which an E&M code can be billed in addition to a CPT procedure code(s) or vice versa during the same encounter.

Claiming E&M service with a minor procedure

As per Claims & Adjudication Rules:

E&M services rendered on the same date of service by the same facility, same clinician as that of a minor procedure, for the same principle diagnosis / chief complaint shall not be reimbursed separately, unless excluded by local regulations (eg: modifier).

Procedures included within E&M codes

As per AMA, CPT Assistant E&M includes several procedures which do not have a separate CPT code such (e.g. pelvic examination).

2. Scope

This Adjudication rule provides an overview of the circumstances in which an E&M code can be billed in addition to a CPT procedure code(s) or vice versa during the same encounter.

3. Adjudication Policy

3.1 Eligibility / Coverage Criteria

Medically justified E&M codes are covered in addition to a CPT procedure code(s) only if compliant with billing and coding rules listed in this AR.

3.2 Requirements for Coverage

ICD and CPT codes must be coded to the highest level of specificity.

3.3 Non-Coverage

Coverage will be limited if not compliant with payment and coding rules.

3.4 Payment and Coding Rules

As per AMA CPT Book, select the procedure or service CPT code that accurately identifies the services performed as per the documentation. It is inappropriate to bill more CPT/HCPCS codes than necessary (CCSC coding manual)

Billing more CPT code or E&M code than necessary can be categorized as Unbundling (CCSC coding manual)

Claiming E&M service with a minor procedure:

"E&M visit on the same day of endoscopy, minor or major surgery, unless significant and separately identifiable beyond the pre-operative and postoperative work of the procedure".

The above definition is in line with the "CPT surgical package definition" and AMA CPT Assistant.

As per CPT Assistant, report a separate E&M in addition to CPT code for the same condition only if the key components need to be performed which is above and beyond the usual pre-service and post-service care associated with the procedure performed.

The above does not mean that a different diagnosis is always required for reporting an E&M code in addition to CPT code or more than one diagnosis will always warrant an E&M in addition to CPT procedure code.

The key is recognizing the physicians extra work which is "significant and separately identifiable beyond the pre-operative and post-operative work of the procedure"

The following questions can identify whether extra work was "significant and separately identifiable"

- Did the physician document any E&M for which any key components been performed in addition to the usual preoperative and postoperative care?
- Is that documented E&M service a standalone billable service?
- Is there a different diagnosis of the visit?
- Is there a regulatory billing criteria applicable to E&M and performed service applicable? (Example Modifier 25 relevant services list)
- If not whether physician perform extra work above and beyond the typical pre- or postoperative work associated with the procedure code? If the answers to the above questions are yes, then an appropriate E&M code can be claimed in addition to a minor procedure CPT code

If the answers to the above questions are yes, then an appropriate E&M code can be claimed in addition to a minor procedure CPT code.

Procedures Included with E&M codes:

What procedures are included when E&M codes are reported?

As per AMA CPT Assistant E & M includes several procedures which do not have a separate CPT code such as pelvic examination.

4. Denial Codes

Code	Code description
PRCE-002	Payment is included in allowance for another service.

5. Appendices

5.1 References

- https://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnproducts/downloads/eval-mgmt-serv-guide-icn006764.pdf
- https://www.cms.gov/medicare/payment/fee-schedules/physician/evaluation-management-visits
- DoH Claims and Adjudication Rules V2025.1
- https://www.aapc.com/resources/what-are-e-m-codes?srsltid=AfmBOorDutT_RcuXzOAhktudb5LUVUrbZM4-DVXCgL8XK3ATpdET6bs4
- https://www.aapc.com/resources/evaluation-management-coding-changes-2021?srsltid=AfmBOooDrk4pqWq3uZBadDKkwGKuY8JuQ0Klsy7QEuodnmtWwbuQHK19

5.2 Revision History

Date	Change(s)
01/07/2013	V2.0 • New Template
15/07/2014	V3.0 • Disclaimer updated • Restored original effective date
14/11/2024	V4.0 • General Content and Template update
17/10/2026	V5.0 • Content, Payment Rules and Template Updated

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