



10980 Grantchester Way, 5<sup>th</sup> Fl.  
Columbia, MD 21044  
800-905-1722  
MedStarFamilyChoiceMD.com

**March 18, 2026**

**PROVIDER ALERT: Direct Admission for Hospital Observation Services  
HCPCS Code G0379**

**EFFECTIVE DATE: Dates of Service on or after April 6, 2026**

MedStar Family Choice Maryland will begin to deny direct admissions for hospital observation services billed with HCPCS code G0379 and Revenue code 0762 when the total observation time is less than 8 hours.

Hospitals must report HCPCS code G0379 when observation services are the result of a direct referral/admission for observation care without an associated emergency room visit, hospital outpatient clinic visit, critical care services on the day of initiation of observation services. Hospitals should only report HCPCS G0379 code when an enrollee is admitted directly to observation care after being seen by a physician in the community.

Direct admission of an enrollee for hospital observation care HCPCS code G0379 is not reimbursable if not submitted on the same date of services as HCPCS code G0378. Additionally, HCPCS code G0379 is not separately payable when a critical care services, clinic service, emergency department visit, or a service assigned status indicator of T or V under CMS Integrated Outpatient Code Editor (IOCE) are reported on the same date of service.

As a reminder, to ensure proper reimbursement billing requirements for HCPCS Code G0379 must:

- Be billed with Revenue code 0762 (Observation Room).
- Include the proper number of units.
  - One unit equals 1 hour of observation services.
- Include a minimum of 8 hours of observation services not to exceed the maximum of 24 hours of observation; and
- When reporting hours, round to the nearest hour.

**Note:**

- Medical records must clearly support document medical necessity of observation services to include, start, and stop times of observation, clinical rationale for monitoring to determine the need for inpatient admission or additional treatment.
- Claims that do not meet the observation criteria or the required time limit are subject to denial.

For questions concerning this Provider Alert, please contact MedStar Family Choice Maryland Provider Customer Service Department at 800-261-3371 or reach out via email to:

[mfc-providerrelations2@medstar.net](mailto:mfc-providerrelations2@medstar.net)