

Are You In or Out?

An Important Question When Hospitalized

By
Judith S. Parnes
LCSW, CMC
Executive
Director



If you or a loved one are a Medicare beneficiary and have recently been hospitalized, hopefully you did not experience a new trend in health care. Instead of being “admitted” to the hospital, you may be classified as being there under “observation” status, even if you stayed overnight.

The Center for Medicare Advocacy has heard increasingly about beneficiaries throughout the country whose **entire stays in a hospital**, including as long as 14 days, are classified by the hospital as “outpatient observation.” In some instances, the beneficiary’s physician ordered their admission but the hospital retroactively reverses the decision. As a consequence of the classification of a hospital stay as outpatient observation Medicare Part A does not pay for the hospital stay and Medicare

Part B is billed. Unfortunately, the patient does get charged for various services they received in acute care hospital, including their prescription medications. They are also charged for the entire subsequent sub-acute rehab skilled nursing facility stay, having never satisfied the statutory three-day inpatient hospital stay requirement, as the entire hospital stay is considered outpatient observation.

The Centers for Medicare and Medicaid Services (CMS) defines observation services as “short term treatment, assessment and/or re-assessment furnished while a decision is being made regarding whether a patient will require further treatment as hospital inpatients or if they are able to be discharged from the hospital. Such observation services are not supposed to last more than 24 to 48 hours.”

This was the case with Hillary C., who recently spent five days at the hospital after a fall. After 24 hours in the Emergency Department, this 81year- old woman was transferred to a hospital room. The doctors and

nurses examined her daily and gave her medications and oxygen to help her breathe. When she was discharged in early January, the family was shocked to find Medicare would not pay for her follow – up sub-acute rehab care, because she did not have the prerequisite three days of “inpatient” hospital care. She had been admitted for observation only for her entire stay. Although never told she was not actually admitted, she remained on “observation status” only for her entire stay.

While patients usually stay in observation status for no longer than 48 hours, it is the patient’s condition and need for medical care that doctors use to determine inpatient or observation status. There are times when a patient does not meet criteria for inpatient care after 48 hours but hasn’t improved enough to be discharged home. When this happens the hospital will sometimes keep the patient until there can be a safe discharge plan. It was actually the sub-acute nursing facility that told the family their mother could be admitted there but they would need to pay privately.

Because Hillary did not have the requisite 3-day inpatient hospital stay, the sub-acute rehabilitation facility she went to following her discharge from the hospital is seeking payment of over \$10,000 for services they provided which are now not covered by Medicare.

When contacted for consultation and future care planning, the Geriatric Care Manager suggested that Hillary and her family appeal the observation status in the hospital with Medicare, as

well as the denial of Medicare coverage for the subsequent sub-acute stay.

At this time it is vital that all patients remember to ask and clarify: have you been admitted or remain with Observation Status. A Geriatric Care Manager or other trained professional can help to ensure that you are appropriately aware and advocate as necessary. Once your status has been determined the Care Manager can then work with the patient and hospital staff

to define discharge and follow up options based on insurance coverage, resources available and the health and safety of the patient.

Only by being educated consumers can we improve the quality of the care and services received.

For more information please call Elder Life Management at 732-493-8080 or Medicare at 1-800- Medicare (1-800-633-4227)

Judith S. Parnes, L.C.S.W., C.M.C., Gerontologist and Elder Care Consultant is Executive Director of Elder Life Management, Inc., Ocean, NJ. ELM provides quality elder care planning, management and Medicaid application services to older adults and their families. Please visit www.elderlifemanagement.org or call (732) 493-8080 for more information.