

Medicare Reimbursement: Hospital Inpatient? Outpatient?

Staying overnight in a hospital doesn't always mean a person is an inpatient. Going to the Emergency Department and receiving emergency department services, observation services, outpatient surgery, lab tests, or X-rays/scans means a person is an outpatient, not an inpatient. Spending the night without a physician's formal order means the person is still an "outpatient." A person is considered an inpatient the day a physician formally orders a person admitted to a hospital. This may occur in the ED but a patient must ask his/her status. Being an inpatient or an outpatient affects what you pay and whether you qualify for Part A coverage in a skilled nursing facility. Medicare covers skilled nursing facility care (SNF) only if a person first has a "qualifying" hospital stay. This means the patient has been formally admitted (by a physician) to the hospital and stays 3 midnights in a row. The discharge day does not count. The last inpatient day is the day before discharge. <http://www.medicare.gov/Publications/Pubs/pdf/11435.pdf>

Below are common hospital situations and a description of how Medicare will pay. Remember, you pay deductibles, coinsurance, and copayments.

Situation	Inpatient or Outpatient	Part A Pays	Part B Pays
You're in the Emergency Department (ED) (also known as the Emergency Room or "ER") and then you're formally admitted to the hospital with a doctor's order.	Inpatient	Your hospital stay	Your doctor services
You visit the ED for a broken arm, get X-rays and a splint, and go home.	Outpatient	Nothing	Doctor services and hospital outpatient services (for example, ED visit, X-rays, splint)
You come to the ED with chest pain and the hospital keeps you for 2 nights for observation services.	Outpatient	Nothing	Doctor services and hospital outpatient services (for example, ED visit, observation services, lab tests, EKGs)
You come to the hospital for outpatient surgery, but they keep you overnight for high blood pressure. Your doctor doesn't write an order to admit you as an inpatient. You go home the next day.	Outpatient	Nothing	Doctor services and hospital outpatient services (for example, surgery, lab tests, intravenous medicines)
Your doctor writes an order for you to be admitted as an inpatient and the hospital later tells you they're changing your hospital status to outpatient. Your doctor must agree, and the hospital must tell you in writing –while you're still a hospital patient – that your hospital status changed.	Outpatient	Nothing	Doctor services and hospital outpatient services

The decision to discharge an inpatient is made by the hospital and physician in accordance with federal regulations. Hospitals and physicians keeping inpatients longer than the federal regulations mandate are at risk of negatively affecting their accreditation and reimbursement.

Sources to check for further information and clarification about Medicare regulations::

<http://www.medicare.gov/publications/pubs/pdf/11376.pdf> ("Your Discharge Planning List," which is a list of questions to ask). Medicare Blog and "Are You Ready for 2012?":

<http://blog.medicare.gov/2012/01/19/are-you-ready-for-2012-5-questions-to-ask-yourself/#respond>

Current media promoted Urban Legend relating Medicare costs: Is it a fact that Medicare Premiums will go up more than 100% in two years? Will the per person Medicare Insurance Premium increase from the present Monthly premium of \$96.40, rising to \$104.20 in 2012, \$120.20 in 2013 and, \$247.00 in 2014?

According to Snopes (<http://www.snopes.com/politics/medical/medicare.asp>) and the 2011 Annual Report of the Boards of the Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds at <https://www.cms.gov/ReportsTrustFunds/downloads/tr2011.pdf>

The answer is NO!
