

Positive News for Medicare Beneficiaries

The NRLN and our grassroots advocates have been lobbying members of Congress for legislative action to eliminate Medicare's requirement that beneficiaries must be in a hospital as an "inpatient" for three-days to be eligible for skilled nursing facility (SNF) services. Beneficiaries are often unaware that a hospital has admitted them as an "outpatient under observation" status rather than as an "inpatient". Those admitted as an "outpatient under observation" who later receive SNF services are often surprised when they are billed for the services that Medicare will not cover.

We have some positive news. The powerful House Ways and Means committee has passed H.R. 876 the "Notice of Observation Treatment and Implication for Care Eligibility Act" or known as the "Notice Act". The bill still needs to be passed by the entire House, then the Senate and signed into law by the President.

The "Notice Act" would require a hospital to give each Medicare Part A (Hospital Insurance) beneficiary whom the hospital classifies for more than 24 hours as an "outpatient under observation" status or any other similar status, an adequate oral and written notification within 36 hours of that classification which:

- explains the individual's status as an "outpatient under observation" (or any similar status) and not as an "inpatient";
- explains the reason for that classification;
- explains the implications of that outpatient status on eligibility for Medicare coverage of items and services as well as cost-sharing requirements;
- includes the name and title of the hospital staff who gave an oral notification and its date and time; and
- is signed by the individual, if the notification is written, to acknowledge its receipt, or if such individual refuses to sign, the written notification is signed by the staff of the hospital who presented it.

The passage of the "Notice Act" by the Ways and Means Committee is a positive step toward rectifying the unfortunate situations that too many Medicare beneficiaries have encountered where they were unknowingly going to be responsible for paying for SNF services.

The NRLN will continue to work to gain passage of the Creating Access to Rehabilitation for Every Senior (CARES) Act (H.R. 290). This bill, which died in committee in the 113th Congress and has been reintroduced in the 114th Congress, would remove the 3-day "inpatient" hospital stay requirement for Medicare beneficiaries who are in need of SNF services, thus not requiring a patient to be hospitalized prior to receiving SNF services. This would save Medicare the hospital costs.

We commend Rep. Lloyd Doggett (TX-35) for introducing H.R. 876 and are pleased that bipartisan cosponsors include Earl Blumenauer (OR-13), Charles Rangel (NY-03) and Todd Young (IN-09).

Your participation in pressing Congress to pass legislation on this and other matters when you are asked to respond to NRLN Action Alerts is very important. Become an advocate.

Bill Kadereit, President
National Retiree Legislative Network