



## Eliminate Medicare's 3-Day 'Inpatient' Requirement

### Talking Points

The NRLN is advocating legislation to eliminate Medicare's 3-day "**inpatient**" requirement in order for Medicare beneficiaries to qualify for coverage of skilled nursing facility (SNF) services. Under Medicare payment policy, for SNF services to be covered by Medicare, the beneficiary must have an "**inpatient**" hospital stay of at least 3 days. Beneficiaries are often unaware that the hospital has admitted them for "**observation**" rather than as an "**inpatient**". Those admitted for "**observation**" who later receive SNF services are surprised when they are billed for the services. (See attached testimonials on this issue.)

### Pass H.R. 3531 to Protect Medicare Beneficiaries

The NRLN advocates for the passage of **H.R. 3531, The Creating Access to Rehabilitation for Every Senior (CARES) Act**, which would eliminate the 3-day hospital stay requirement for Medicare beneficiaries to be eligible for coverage of SNF services. This bipartisan bill 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.

This bipartisan bill, introduced by Rep. Jim Renacci (OH-16) on November 19, 2013, is pending in the House Ways and Means Committee with 29 co-sponsors.

There is no logic that would support that a hospital stay should or should not justify skilled rehabilitation care. One is simply not dependent upon the other. Medicare coverage and patient admittance rules should apply to both (hospital and SNF services) but are mutually exclusive decisions governed by medical advice and Medicare benefit coverage schedules. Medicare officials debate hospital charges, often contending that a Medicare Plan-A hospital "**inpatient**" charge should have been, in whole or in part, a lower-cost Medicare, Plan-B outpatient day (classified as "**observation**"). In many cases these Medicare reclassifications cause patients to have to pay Plan-B 20% coinsurance charges. To assume there should be any relationship between these decisions and the loss of an "**inpatient**" day that would disqualify a patient for SNF coverage makes no sense from the perspective of public policy and effective medical treatment for seniors.

### Acceptable Alternative Bills on Medicare Rule

There are two other bills on this issue that would be acceptable to the NRLN if passed. **H.R. 1179 and S. 569, The Improving Access to Medicare Coverage Act**, would count being in a hospital for "**observation**" toward satisfying the "**inpatient**" requirement for Medicare to cover SNF services. However, it does not eliminate the hospitalization requirement as **H.R. 3531** does.

**H.R. 1179**, introduced by Rep. Joe Courtney (CT-02) on March 14, 2013, is pending in the Subcommittee on Health and has 158 bipartisan co-sponsors. **S. 569**, introduced by Ohio Senator Sherrod Brown on March 3, 2013, is pending in the Finance Committee with 26 co-sponsors (only one Republican).

### NRLN's Conclusion

Most private health care plans for seniors have already eliminated the 3-day "**inpatient**" requirement. It is time that Congress pass legislation requiring traditional Medicare to do likewise to the benefit of retirees.

*For more information on this subject, contact Alyson Parker at 813-545-6792 or [executivedirector@nrln.org](mailto:executivedirector@nrln.org)*