



Eliminate Medicare's 3-Day 'Inpatient' Requirement

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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.

Pass H.R. 290 to Protect Medicare Beneficiaries

The NRLN advocates for the passage of **The Creating Access to Rehabilitation for Every Senior (CARES) Act (H.R. 290)**, 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 January 13, 2015, is pending in the House Ways and Means Committee with 14 co-sponsors (as of January 15, 2015).

"Beneficiaries in need of skilled nursing care are typically the most vulnerable of the Medicare population, and they should not be prevented from receiving timely critical rehabilitation services due to Washington red tape," said Renacci. "The CARES Act will enhance access to quality care for our nation's seniors by protecting the doctor-patient relationship and removing barriers to their health care."

Rep. Marcia Fudge (OH-11), a cosponsor of the CARES Act, added, "Too often, seniors who need long-term skilled nursing care are denied coverage because they fail to qualify under an outdated Medicare rule that requires them to first spend three nights in a hospital as an admitted patient. The rule is neither cost-effective nor in a patient's best interest. Further, decisions about long-term care are best left in the hands of patients, their families, and their physicians. The CARES Act is a sensible, bipartisan effort that will end the arbitrary three night policy and I'm pleased to support it since it will provide our seniors with greater access to quality health care."

NRLN's Conclusion

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.

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.

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