

Are you an outpatient, observation patient or inpatient?

Based on federal law requirements.

Medicare covers hospital services differently depending on whether you are an outpatient, an observation patient, or an inpatient. Here's how to know the difference:

Outpatient

You are an outpatient if you're getting emergency department services, outpatient surgery, lab tests, x-rays, or any other hospital services that are not at a level of inpatient care.

Services such as routine preparations for surgery or diagnostic testing are typically outpatient services.

If your condition does not require that services be performed in a hospital, you may be an outpatient.

If you stay in the hospital overnight, you might still be considered an outpatient.

Observation

Observation services are hospital services provided to you which help your doctor decide if you need to be admitted as an inpatient or can be discharged.

Typically, if your condition can be evaluated/treated within 24 hours and or if rapid improvement can be anticipated within 24 hours, you may be an observation patient.

Care provided to observation patients can be the same as inpatient care.

Observation can last more than 24-48 hours.

You may be responsible for self-administered medications as an observation patient.

Observation does not meet traditional Medicare's requirement for post-hospitalization coverage of skilled nursing facility (SNF) services.

If you become an inpatient, any observation days will not count toward the required "three inpatient days" (stay over three mid-nights) for skilled nursing coverage.

Inpatient

You are only an inpatient if a physician orders it. Even with an order from a physician:

- Your care **MUST** meet federal or insurance company guidelines for inpatient admission based on how sick you are.
- Medicare may not approve care as inpatient care; and
- Medicare Advantage may not approve your care as inpatient care.
- If the care is not approved as inpatient care, you will be notified in writing by either the hospital or the insurance company.

Under Medicare's Two-Midnight Rule, you are typically NOT an inpatient unless your physician believes you will be in the hospital for at least two midnight's requiring inpatient services.

Hospitals are required by Medicare to have a committee that screens your medical record to determine if you are a hospital inpatient. If this committee determines that your care does not require inpatient service, your stay will be changed to "observation" or "outpatient" if your physician agrees.

The inability to care for yourself at home does not, by itself, qualify you for an inpatient stay.

Resources

For more detailed information on how Medicare covers hospital services, please visit the following Medicare websites.

Beneficiary Resources

www.medicare.gov/publications

Medicare & You

www.medicare.gov/medicare-and-you/medicare-and-you.html

Are You a Hospital Inpatient or Outpatient?

www.medicare.gov/Pubs/pdf/11435.pdf

Two-Midnight Rule

www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2015-Facts-sheets-items/2015-07-01-2.html