

Inpatient or Observation: **KNOW THE DIFFERENCE!**



When patients are initially admitted into the hospital, they are assigned a status based on the severity of their condition.

Inpatient Status

- Patient has a severe illness or condition requiring highly technical and skilled care
- Patient is admitted
- Patient will stay inpatient at the hospital for as long as medically necessary
- Charged the cost-sharing amount for an inpatient hospital stay
- The hospital bill will include the charges for the facility and majority of services

Observation Status

- Patient may not be sick enough to require an inpatient admission, but their condition is too severe to be treated at a Doctor's office level
- Patient may remain overnight for one or two days while under observation
- Patient is considered outpatient while under observation status
- Charged as an outpatient. Depending on your health plan, this may include separate copays for the emergency room visit, labs, x-rays and any other services rendered during your visit

Skilled Nursing

Hospital admission status may affect coverage for services such as skilled nursing. Some health plans, including Medicare, require a three-day hospital inpatient stay minimum before it will cover the cost of rehabilitative care in a skilled nursing care center. However, observation stays, regardless of length, do not count towards the requirement.

Protect Yourself Financially

There are a few things you can do to protect yourself financially. Under Medicare, a new law requires hospitals to give Medicare patients verbal and written notice of an observation status within 36 hours. Even if you are **NOT** under Medicare you can request the status. Inpatient vs. Observation status determines how your health plan will process the hospital bills.

When you or your family member arrives at the hospital, you can ask questions like:

- Is the patient's status inpatient or observation?
- How long will the hospital stay be?
- Will there be a need for specialized care or rehab therapy after discharged?

Asking these questions throughout the hospital stay is important since hospitals can change the status from one day to the next. You can ask to have the status changed if you disagree, but it is important to do so while still in the hospital. If necessary, you can request the hospital's patient advocate for assistance.

