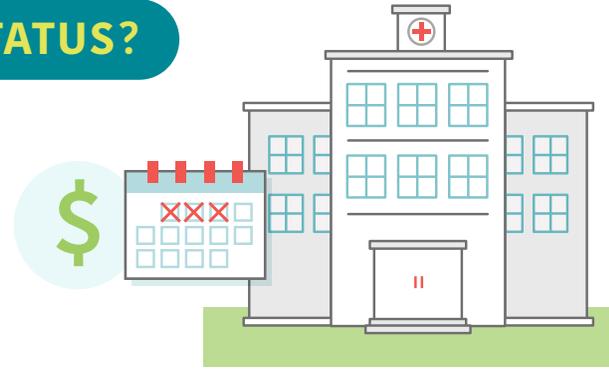


The Center for Medicare Advocacy is partnering with the John A. Hartford Foundation to help people caught in the web of “outpatient” Observation Status. **HAVE YOU DEALT WITH OBSERVATION STATUS? Share your story at MedicareAdvocacy.org/ObservationStory**

WHAT IS “OUTPATIENT” OBSERVATION STATUS?

A hospital billing classification that can make **Medicare patients pay for the cost of their:**

- Hospital stay
- Hospital prescriptions
- Nursing home care
 - Patients must be classified as **inpatients for 3 days** in the hospital in order for Medicare to pay for subsequent nursing home care.



AskAboutObservation



OBSERVATION STATUS...

- May be called “outpatient,” but it has **NOTHING TO DO** with where a patient receives care or the kind of care received.
- IS A BILLING CODE.** Hospitals use it to protect from overzealous auditors and Medicare readmission penalties.
- May just seem like semantics, but **for Medicare beneficiaries, IT CAN RUIN LIVES.**
- Saddles patients with increased out-of-pocket expenses. Patients who don't have Medicare Part B are responsible for the **FULL COST** of the hospitalization.

WHY DOES OBSERVATION STATUS MATTER?

Observation Status can be devastating. It can result in thousands of dollars in hospital bills, and thousands more in nursing home bills after a hospital stay.

In 2012 an average hospital stay in the U.S. cost **\$10,400**, and the median monthly cost for a nursing home in the U.S. was almost **\$8,000**.

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- The use of “outpatient” Observation Status isn't just wrong, **it can be DANGEROUS.**
- Many patients **CAN'T AFFORD their care** if Medicare won't pay.
- If post-hospital care in a nursing home won't be covered by Medicare, **many people GO WITHOUT that care altogether**, rather than face the enormous bills.
- The problem is growing: the number of patients cared for under Observation Status **DOUBLED** from 2006 to 2014.

HOW TO FIGHT OBSERVATION STATUS

Observation Status is very hard to fight.

But here's what individuals can do:

ASK

- Take action at the BEGINNING** of a hospital stay to try to stop Observation before it starts.
- Ask the hospital doctor to “**admit the individual as an INPATIENT**” based on needed care, tests and treatments.
- Ask the patient's regular physician to **CONTACT THE HOSPITAL DOCTOR** to support this request.

SPREAD THE WORD

- CONTACT** The Medicare Agency (CMS), your Senators and Congressional Representatives.
- WRITE** to your local paper, **SHARE** this graphic on social media and **SUBMIT** your Observation story at MedicareAdvocacy.org/ObservationStory

ACT

- FILE AN APPEAL** with Medicare, if the patient's nursing home coverage is denied.
- FILE A COMPLAINT** with the patient's state health department, if he/she did not get notice about “outpatient” Observation Status.

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