

Hospital “Outpatient” Observation Notice and Medicare Patients

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Medicare patients need to be aware of this hospital billing classification that can make an overnight hospital stay considered “**outpatient**” care where patients may have to pay for the cost of their services, due to the hospital not getting the proper doctor requested admitted “**inpatient**” status. The hospital status (whether the hospital considers individuals an “inpatient” or “outpatient”) affects how much patients pay for hospital services and may also affect whether Medicare will cover care in a skilled nursing facility, if needed following the hospital stay. Seniors enrolled in Medicare Advantage Plans should ask their plans about their observation care rules since they can vary.

WHAT IS THE DIFFERENCE BETWEEN “INPATIENT” AND “OUTPATIENT” OBSERVATION STATUS?

- Individuals are considered outpatient if getting emergency department services, observation services, outpatient surgery, lab tests, X-rays, or any other hospital services, and the doctor hasn’t written an order to admit them to a hospital as an inpatient. In these cases, individuals are outpatient even if they spend the night at the hospital.
- Individuals are considered inpatient starting when formally admitted to a hospital with a doctor’s order. The day before individuals are discharged is the last inpatient day.

If you have any questions about observation services, ask a hospital staff member providing this notice or the doctor providing the hospital care. Individuals can also ask to speak with someone from the hospital’s utilization or discharge planning department. In addition, individuals can call 1-800-MEDICARE (1-800- 633-4227), or TTY: 1-877-486-2048, for more information.

For more detailed information, visit the Medicare website: [Inpatient or outpatient hospital status affects your costs | Medicare](#)

HOW TO FIGHT OBSERVATION STATUS OR FILE AN APPEAL WITH MEDICARE?

Observation Status is very hard to fight, so be prepared to take these steps beforehand:

- At the beginning of a hospital stay, inquire about “Observation Status” before it starts
- Ask the hospital doctor to “admit the individual as an “Inpatient” based on needed care
- Have patient’s regular doctor contact the hospital doctor to support the request

For more information on filing an appeal, visit the Center for [Medicare Advocacy’s observation care website](#).

Additional resources on the topic:

Kaiser Health News (KHN) Frequently Asked Questions (FAQ): Hospital Observation Care Can Be Costly for Medicare Patients: <https://khn.org/news/observation-care-faq/>

SOURCES: Center for Medicare Advocacy; Kaiser Health News

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