ThinkAdvisor

Even if you understand the observation status rules, you need to know how to act on that knowledge.

By **Margie Barrie** | December 09, 2019 at 12:22 AM

This information could save you thousands of dollars if you or a loved one are on Medicare.

I wrote the first draft of this article from my mother's hospital room in Sarasota.

My mother, who is 98, was taken by ambulance to the emergency room because she was having trouble breathing.

In a previous newsletter, I wrote about how the new changes in Medicare affect long term care and specifically the situation of admitted versus observation status.

Here is what I had written:

IF you go to a hospital emergency room and IF it is determined that you need care and IF you are moved to a hospital room . . .

You must ask this question about your status:
Am I admitted or am I here for observation?

If you are classified as being there for observation, and then need to go to a nursing home, *Medicare will not pay.* You must be admitted to the hospital for at least 3 nights. True story - A woman was in the hospital for 10 days but was never "admitted

I had no idea that I was going to personally encounter this situation so quickly.

Here is the sequence of events:

- My mother – Maxine – arrives in the emergency room with congestive heart failure. She is put on oxygen.

- Several hours later, we are told that she will be moved to a hospital room.

- I then ask, "what is her status – admitted or observation?"

- The nurse replies she will find out.

- Next, Betty, a hospital employee, arrives holding a clipboard with several papers for my mother to sign. She explains they are all routine forms.

  - The first paper is about authorizing Medicare to pay the hospital bill.
  - The second paper - and this is done very smoothly – is that she understands she will be in the hospital on an observation status for 24 hours.

- As my mother is handed the paper to sign, I shout, "Mom, don't sign it!"

- Betty is shocked when I tell her we refuse to sign it. "This is just routine, and she has to sign it," she says. (My mother looks at me like I'm crazy, but she does stop signing her name.)

- Betty then says she will send the social worker.

- Ann Marie, the social worker, arrives and starts to explain why it needs to be signed and hands me a brochure titled, "A Patient's Guide to Observation Status. On the last page of the brochure and at the bottom, Question 14 is "*Does Outpatient Services care count toward my three-day hospital stay for skilled nursing care?"*

- The answer is: "*No, your time in Outpatient Observation Services does not count toward the three-day (consecutive) hospital stay required by Medicare before it will pay for services at a skilled nursing facility. If your status changes from Outpatient with Observation Services to inpatient, your three-day hospital stay begins from the time you become an inpatient."*

- We still refuse to sign the form.

- Dr. B the hospitalist (floor doctor) arrives to review my mother's condition.

- I tell him we need to change her status to admitted. He says he is not authorized to do so and the Case Manager makes that decision.

- After Dr. B leaves, the Case Manager calls me on my cell phone and insists we sign the form. I reply that we need to change the status to admitted. She says it is the responsibility of the admitting doctor. I explain that the admitting doctor said it was her responsibility. At that point, I mention that I write a column in a national newsletter that has a large circulation.

- The case manager then starts telling me about the Medicare requirements for admitted status and that my mother didn't meet them. She says, "If she was on oxygen, I could help you."

- I reply she is on oxygen, and there is stunned silence from the case manager. She says, "Let me check with the floor nurse and I will call you back." I reply, "No, we are going to take care of this right now," and I walk to the floor nurse and hand her my phone.

- Ten minutes later the paperwork has been completed, and my mother's status is now ADMITTED. (When my mother was moved to a hospital room, I check with the nurse to make sure that the status was now admitted.)

HERE'S WHAT I LEARNED - Be persistent. Know these rules so that you can challenge it if appropriate. This discussion must occur in the emergency room. The reason is when the patient leaves the emergency room, you cannot get the status changed.

HERE'S WHY I WROTE THIS - As a long-term care planning specialist and a thought leader in this industry, I feel that I have a responsibility to keep you informed about these types of changes. My mother did go to a skilled nursing facility for several weeks for physical therapy and rehab following her hospital stay. If I hadn't insisted that her status be changed, we would have been charged thousands of dollars for her care.