

Costly Care

By Reg P. Wydeven
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Earlier this spring, my dad had to go to the ER for severe abdominal pain. After a few days of lots of tests but no answers, his temperature and heart rate spiked, so they did emergency exploratory surgery.

The surgeon discovered that he had an internal hernia in his small intestine, so they took several inches of it out. He woke up to discover a huge scar, but he was feeling much better.

After a couple of more days in the hospital, the doctors were able to determine that my dad's plumbing was working. However, after not eating for almost two weeks and having major surgery, my dad's strength was sapped. Plus, he was equipped with a wound vacuum to help his incision heal, but changing the machine took specialized training.

So instead of going home, my dad was discharged to a nursing home. There he could receive physical therapy to get his strength back and the nurses could change his wound vac. While my dad received excellent care at the nursing home, he thankfully receives Medicare, so his hefty bill of \$385 a day was covered.

Not every family is as lucky, however.

If someone is admitted to a hospital and stays there for at least three nights and is then discharged to a skilled nursing facility to receive rehabilitative care, Medicare will pay 100% of the bill for the first 20 days at the facility. From day 21 through day 100, Medicare will pay 80% of the bill. However, if the person has a Medicare supplement plan, the supplement will typically cover the extra 20%.

Because my dad was in the hospital for over a week and went to the nursing home to receive therapy, Medicare picked up the tab. I have met with tons of clients over the years in similar situations, having spent several nights in the hospital to be discharged to a nursing home for rehab. However, not all of these clients' stays have been covered by Medicare because some of them were never admitted to the hospital – instead, they were there under observation.

Because we didn't know what was wrong with my dad at first, we were obviously extremely worried. We were relieved when his awesome surgeon discovered the problem and corrected it, but we were still concerned about his recovery. While we had a lot of worries, we had peace of mind knowing his nursing home stay would be covered by Medicare.

Like my dad, some patients believe their bill will be covered only to find out their stay in the hospital was outpatient status. As a result, they are personally on the hook for the nursing home bill. This obviously makes an already extremely stressful situation a million times worse.

To address this phenomenon, in August of 2015, President Obama signed into law the Notice of Observation Treatment and Implication for Care Eligibility (or NOTICE) Act. The Act requires hospitals to notify patients who are under observation for more than 24 hours of their outpatient status within 36 hours, or upon discharge if that occurs sooner. The law, which went into effect on March 8, 2017, doesn't change the practice of having patients being under observation – it simply requires hospitals to notify them of this status sooner.

Observation status is a way for doctors to buy time to determine what is wrong with a patient who is too sick to go home but not sick enough to be admitted. Hopefully hospitals will observe the new rules.

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