



SHIIP NEWS RELEASE

Hospital Inpatient or Outpatient-- Ask If You Have Medicare

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For more information contact:
SHIIP
Iowa Insurance Division
515-281-5705

Did you know that even if you stay in the hospital overnight, you might still be considered outpatient? “We get calls and e-mails from lowans on Medicare who stay in the hospital overnight, but are billed as outpatient,” says Kris Gross from the State of Iowa’s Senior Health Insurance Information Program (SHIIP). “Many people are unaware of the difference between outpatient ‘observation’ status and inpatient and how this affects their billing,” she adds.

You are an outpatient if you receive emergency department services, observation services, lab tests, or X-rays, and the doctor has not written an order to admit you as an inpatient --even if you spend the night at the hospital. If you are in the hospital more than a few hours, always ask your doctor or the hospital staff if you are an inpatient or an outpatient.

Your hospital status may also affect whether Medicare will cover care you get in a skilled nursing facility (SNF). Medicare will only cover SNF care if you first have a “qualifying hospital stay.” This means you have been a hospital inpatient for at least three days in a row. If your doctor orders “observation” services, you are considered an outpatient. This means you cannot count this time towards the three-day inpatient hospital stay needed for Medicare coverage.

Medicare Part A covers inpatient hospital services. Generally, this means you pay a one-time deductible for all of your hospital services for the first 60 days you are in the hospital. Medicare Part B covers most of your doctor services when you’re an inpatient. You pay 20% of the Medicare-approved amount for doctor services after paying the Part B deductible

Medicare Part B covers outpatient hospital and doctor services. Generally, this means you pay a copayment for each individual outpatient hospital service. This amount may vary by service and the total could amount to more than the inpatient deductible.

Generally, the prescription and over-the-counter drugs you get in an outpatient setting are not covered by Part B. If you have Medicare Part D prescription drug coverage, these drugs may be covered under certain circumstances. Generally you pay out-of-pocket for these drugs and submit an “out-of-network” claim to your drug plan for a refund. If the drug is not on your plan’s formulary (list of drugs it covers) you will have to request an exception to get it covered.

For more information or assistance call SHIIP at 1-800-351-4664 (TTY 800-735-2942). SHIIP counselors are available statewide to discuss your Medicare claims questions. The SHIIP website, www.therightcalliowa.gov, also has information about Medicare claims. SHIIP is a free, confidential and objective service and does not sell, endorse or promote any insurance products.