

HEALTH INSURANCE Help! ✓ *(When you need facts, not frustration)*

Understanding MEDICARE'S Requirement for a 3-Day Hospital Stay Before Admission to a Skilled Nursing or Subacute Facility

According to federal law, your traditional Medicare (Part A) benefit will cover services and accommodations in a skilled nursing facility (also called a nursing home or subacute facility) **only if** you have spent a minimum of three consecutive inpatient days in the hospital, not “under observation”. This fact sheet describes this federal rule; details the difference between an inpatient stay and “under observation”; and provides examples to help you ensure the care you need will be covered by your Medicare Part A benefit.

What You Need to Know

An inpatient stay in the hospital begins the day you are formally admitted as an inpatient to the hospital. Inpatient days are counted using the midnight-to-midnight method: A day begins at midnight and ends 24 hours later. The three consecutive day count **does not** include the time you might have spent in the emergency room, in outpatient services, “under observation,” or the day you are discharged from your inpatient stay.

In addition, the three-day inpatient stay in the hospital must have been medically necessary for an illness or injury, as determined by your doctor. For Medicare to cover your stay in the skilled nursing facility, your needs must include skilled nursing or rehabilitation services (such as physical therapy, occupational therapy or speech language therapy).

If you are enrolled in a Medicare Advantage Plan, PACE Organization or Accountable Care Organization, you may not need a three-day hospital stay for your skilled nursing stay to be covered. Please check with your insurance plan to obtain these important details.

It is important to know if you are in the hospital as an inpatient or as an outpatient “under observation” because different rules apply if you need skilled nursing facility care after a stay under observation. **Observation means you are not considered an inpatient.** However, you may be “under observation” on a floor of the hospital that is also for patients who are there as inpatients. If you are “under observation”, the hospital must provide you with a notice called the Medicare Outpatient Observation Notice (MOON). This is important because if you have not spent a minimum of three days as an inpatient, you will not be eligible for traditional Medicare Part A benefits in a skilled nursing facility. It is always a good idea to check with your doctor, social worker or case manager or a hospital patient advocate to make sure of your status at the hospital. Key questions to ask are:

- Is my hospital stay “inpatient” or “observation”?
- Does my insurance coverage require a 3-day stay before receiving care at a skilled nursing facility?

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Here are some helpful examples of how to count the days in your hospital stay to determine if your stay meets the requirement.

The key is the day of admission counts as day one, regardless of what time you are admitted as an inpatient. At midnight or 12:01 a.m., day two begins.

Example of a patient stay that meets the requirement:

This patient was admitted as an inpatient on Sept. 8, 2023, and discharged on Sept. 11, 2023. Here's how their days are counted:

Day 1: On Sept. 8, the patient was admitted at 11:59 p.m. as an inpatient; this counts as Day 1 – part of a day counts as a full day.

Day 2: Sept. 9 counts as Day 2 since the patient is still in the hospital as an inpatient.

Day 3: On Sept 10, the patient is still an inpatient; this counts as Day 3. The patient is discharged from the hospital Sept. 11 at midnight or later.



Example of a patient stay that does not meet the requirement:

This patient is admitted as an inpatient on Sept. 8, 2023, and discharged on Sept. 10. Here's how their days are counted:

Day 1: The patient is admitted to the hospital as an inpatient at 11:59 p.m. on Sept. 8. This counts as Day 1; part of a day counts as a full day.

Day 2: On Sept. 9, the patient is still an inpatient; this counts as Day 2.

On Sept. 10, the patient is discharged at 11:59 p.m. Because the Medicare rule counts days starting at midnight, **this day does not count** for purposes of Medicare's requirement.



To learn more about these requirements, you can speak with a Medicare representative by calling 1-800-MEDICARE.