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Legend Healthcare
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Legend supports MedPAC's recommendation to loosen '3-day' qualifying stay

The Medicare Payment Advisory Commission's (MedPAC) June 2015 "Report to the Congress: Medicare and the Health Care Delivery System" is recommending allowing nursing home coverage for beneficiaries who have spent as little as one day in hospital inpatient status, combined with up to two days in observation status. This recommendation would better serve patients recovering from illness or injury who are in need of skilled nursing home care after their hospital stay and rely on Medicare coverage for this service. In addition, the policy change would create savings for the Medicare program giving both Medicare insurers and the hospital the ability to discharge patients to a lower cost setting in a more appropriate period of time.

Medicare requires beneficiaries to be hospitalized for medically necessary inpatient hospital care for at least three consecutive days before covering post-hospital care in a skilled nursing facility. In the current system, no observation stay days may count toward the three-day hospital stay requirement for Medicare nursing home coverage. Often, patients remain under observation status in the hospital for days. These days are not counted toward the three-day inpatient stay requirement because they are considered outpatient and the hospital is not required to make the patient aware of this difference in status.

For vulnerable patients, the antiquated three-day stay rule is harmful because it creates barriers to healthcare, inflicts trauma to patients whose healthcare is being determined by meeting arbitrary requirements rather than medical need, and could result in thousands of dollars in out-of-pocket medical expenses. For the Medicare program, the three-day stay rule is lossmaking because it mandates a patient must remain in the highest cost healthcare setting for unnecessarily long periods of time creating increased costs in Medicare expenditures. The rule should be waived in favor of patient needs being met in the lowest-cost, most-qualified healthcare setting which serves to benefit the patient, the Medicare program, and, inevitably, the taxpayer.

MedPAC has now recommended in multiple reports to reform the three-day stay rule and Congress is currently considering multiple bills to address the issue. The Improving Access to Medicare Coverage Act of 2015, the Notice of Observation Treatment and Implication for Care Eligibility (NOTICE) Act, and the Creating Access to Rehabilitation for Every Senior (CARES) Act of 2015, have all been introduced to the 114th Congress with the goals of minimizing the three-day inpatient hospital requirement and increasing patient awareness of how to access skilled nursing care services and coverage under Medicare. Legend supports these sensible reforms and commends MedPAC and Congress on their efforts regarding this important issue.

Legend Healthcare— Legend Healthcare is an innovative provider of Home Healthcare, Physical Therapy, and Skilled Nursing with 17 Long Term Care and Post-Acute Rehabilitation Facilities throughout Texas, please visit www.legendhc.com.