

# Medicare Hospital Benefits

Did you know that even if you stay in a hospital overnight, you might still be considered an “outpatient”? Your **hospital status** (if the hospital considers you an “inpatient” or “outpatient”) **affects how much you’re charged** for hospital services (like x-rays, drugs, and lab tests) and may also affect whether Medicare will cover care you get in a skilled nursing facility (SNF) after your hospital stay.

- You’re an **inpatient** starting when a doctor writes an order formally admitting you as an inpatient. The day before you’re discharged is your last inpatient day.
- You’re an **outpatient** if you’re getting emergency department services, observation services, outpatient surgery, lab tests, x-rays, or any other hospital services, and the doctor hasn’t written an order to admit you to a hospital as an inpatient. In these cases, you’re an outpatient even if you spend the night at the hospital.

**Note:** Observation services are hospital outpatient services ordered by a doctor to help the doctor decide if you need to be admitted as an inpatient or can be discharged. You can get observation services in the emergency department or another area of the hospital. For more information on observation services, go to page 5.

The decision about inpatient hospital admission is complex and based on your doctor’s judgment and your need for medically necessary hospital care.

**For you to become an inpatient, your doctor must order the admission, and the hospital must formally admit you.**

## What do I pay as an inpatient?

- Medicare Part A (Hospital Insurance) covers inpatient hospital services. Generally, you pay a one-time deductible for all of your hospital services for the first 60 days you’re in a hospital. Hospital services can include things like x-rays, drugs, and lab tests.
- Medicare Part B (Medical Insurance) covers most doctor services when you’re an inpatient. After paying the Part B deductible, you generally pay an additional 20% of the Medicare-approved amount for doctor services. Doctor services can include tests, shots, and screenings.

## What do I pay as an outpatient if I have Part B?

- Medicare Part B covers most outpatient hospital services. Generally, this means you pay a copayment for each outpatient hospital service you get. This amount may vary by service. Outpatient services can include things like emergency services, lab tests, and preventive services.

The copayment for a single outpatient hospital service can't be more than the inpatient hospital deductible. However, if you get multiple outpatient services, your copayment may be more than the inpatient hospital deductible.

- Part B also covers most of your doctor services when you're a hospital outpatient. After you pay the Part B deductible, you generally pay an additional 20% of the Medicare-approved amount.

## What should I know about Medicare drug plans (Part D) and self-administered drugs?

Generally, your Medicare drug plan only covers prescription drugs and won't pay for over-the-counter drugs, like aspirin or laxatives. Sometimes people with Medicare need "self-administered drugs" while in hospital outpatient settings. "Self-administered drugs" are prescription medications that you would normally take on your own, like medications that you take every day to control blood pressure or diabetes. In most cases, Part B doesn't pay for self-administered drugs used in hospital outpatient settings.

- Your Medicare drug plan will only cover prescription drugs that are on its formulary (drug list), unless you have an exception.
- Your Medicare drug plan will check if you could've gotten these self-administered drugs from an in-network pharmacy.
- Since most hospital pharmacies don't participate in Part D, you may need to pay up front for drugs you need and submit the claim to your Medicare drug plan for a refund. Review your Part D plan's provider directory or visit [Medicare.gov/care-compare](https://www.medicare.gov/care-compare) to check if your hospital participates in Part D.
- If possible, bring any drugs (or a list of drugs you're taking) with you to the hospital and show them to the staff. It helps the hospital staff to know what drugs you take at home.
- If your Medicare drug plan covers the drug, you may need to pay the difference between what the hospital charged and what the plan paid in addition to any deductibles, copayments, or coinsurance you would normally pay. This amount counts towards your Part D out-of-pocket costs if the claim is submitted to your plan.

## What do I pay for self-administered drugs that aren't covered by Part D?

If your Medicare drug plan doesn't cover the drug, you need to pay what the hospital charges for the drug. You can always ask for an exception if your plan tells you a drug isn't on their formulary, or you can appeal your Medicare drug plan's decision not to cover the drug.

For more detailed information on how Medicare covers hospital services, including premiums, deductibles, and copayments, visit [Medicare.gov](https://www.medicare.gov). You can also call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048. If you have a Medicare Advantage Plan, your costs and coverage may be different. Check with your plan.

## Part B services covered in the hospital include, but aren't limited to:

- X-rays (radiology)
- Stitches for a cut
- The hospital charge for an emergency department or hospital clinic visit (doesn't include an amount for the doctor's services)
- Getting a cast
- Surgery that's safe to perform on an outpatient basis
- Observation to decide if you need inpatient care for an illness or injury
- Administration of certain drugs that you usually can't give yourself

Some services you get from other facilities are also considered "outpatient" for billing purposes, like:

- Splints, antigens, and casts you get from a home health agency if you aren't under a home health plan of care
- Splints, antigens, and casts if you're in hospice, for a condition unrelated to your terminal illness and related conditions
- Partial hospitalization or intensive outpatient services you get from a hospital outpatient department or community mental health center

## How does Medicare cover these hospital outpatient services?

For most services, you must pay the yearly Part B deductible before Medicare pays its share. Once you meet the deductible, Medicare pays most of the total payment and you pay a copayment. For some services, you don't need to meet the yearly Part B deductible before Medicare pays (for example, for screening mammography).

## Here are some common hospital situations and a description of how Medicare pays:

Situation	Inpatient or outpatient	Part A pays	Part B pays
You're in the emergency department (also known as the emergency room or "ER") and then you're formally admitted to the hospital as an inpatient with a doctor's order.	Outpatient until you're formally admitted as an inpatient based on your doctor's order. Inpatient after your admission.	Your inpatient hospital stay and, for most hospitals, all related outpatient services provided during the 3 days before your admission date.	Your doctor services.
You come to the ER with chest pain and the hospital keeps you for 2 nights. One night is spent in observation and the doctor writes an order for inpatient admission on the second day.	Outpatient until you're formally admitted as an inpatient based on your doctor's order. Inpatient after your admission.	Your inpatient hospital stay, and for most hospitals, all related outpatient services provided during the day before your admission date.	Your doctor services.
You go to a hospital for outpatient surgery, but they keep you overnight for high blood pressure. Your doctor doesn't write an order to admit you as an inpatient. You go home the next day.	Outpatient	Nothing	Doctor services and hospital outpatient services (like surgery, lab tests, or intravenous medicines).
Your doctor writes an order for you to be admitted as an inpatient, and prior to discharge the hospital changes your status to outpatient. Your doctor must agree, and the hospital must tell you in writing—before you're discharged—that your hospital status changed from inpatient to outpatient.	Outpatient	Nothing	Doctor services and hospital outpatient services.



**Remember:** Even if you stay overnight in a regular hospital bed, you might be an outpatient. Ask your doctor or hospital. If you have a Medicare Advantage Plan, your costs and coverage may be different. Check with your plan.

## How does my hospital status affect the way Medicare covers my care in a skilled nursing facility (SNF)?

Medicare will generally only cover care you get in a SNF if you first have a “qualifying inpatient hospital stay.”

- This means a prior medically necessary inpatient hospital stay of at least 3 days in a row, starting with the day you were admitted as an inpatient, but not including the day you leave the hospital.
- If you don’t have a 3-day inpatient hospital stay and you need care after your discharge from a hospital, ask if you can get care in other settings (like home health care) or if any other programs (like Medicaid or Veterans’ benefits) can cover your SNF care.

**Note:** You may not need a 3-day minimum inpatient hospital stay if your doctor participates in an Accountable Care Organization or another type of initiative approved for a Skilled Nursing Facility 3-Day Rule Waiver. Always ask your doctor or hospital staff if Medicare will cover your SNF stay.

## How do hospital observation services affect my SNF coverage?

Your doctor may order “observation services” to help decide if you need to be admitted to a hospital as an inpatient. During the time you’re getting observation services in a hospital, you’re considered an outpatient. **This means Medicare won’t count this time toward the 3-day inpatient hospital stay needed for Medicare to cover your SNF care.**

If you have a Medicare Advantage Plan, your costs and coverage may be different. Check with your plan.

## Common hospital situations that may affect your SNF coverage

Situation	Is my SNF stay covered?
You came to the ER and were formally admitted to the hospital as an inpatient with a doctor’s order. You spent 3 days in the hospital as an inpatient after admission. You were discharged on the 4th day.	Yes, if you meet all other coverage requirements. In this scenario, you met the 3-day inpatient hospital stay requirement for a covered SNF stay.
You came to the ER and spent one day getting observation services. Then, you were formally admitted to the hospital as an inpatient for 2 more days.	No. Even though you spent a total of 3 days in the hospital, you were considered an outpatient while getting ER and observation services. The day as an outpatient doesn’t count toward the 3-day inpatient hospital stay requirement.

You have the right to ask for a fast appeal while you're still in the hospital if you were admitted to the hospital as an inpatient and the hospital changed your status to outpatient getting observation services. You must meet certain requirements to appeal in these instances. Visit [Medicare.gov/statuschange](https://www.medicare.gov/statuschange) to learn more.



**Remember:** Any days you spend at the hospital under observation or in the emergency room (before you're formally admitted as an inpatient based on your doctor's order) aren't counted as inpatient days. An inpatient stay begins on the day you're formally admitted to a hospital as an inpatient with a doctor's order. The day you're discharged doesn't count as an inpatient day.

## How does Medicare cover other hospital outpatient services?

In addition to the amount you pay the doctor, you'll also usually pay the hospital a copayment, or fixed amount (like \$30), for each service you get in a hospital outpatient setting, except for certain preventive services that don't have a copayment.

In most cases, the copayment can't be more than the Part A hospital stay deductible for each service. However, if you get hospital outpatient services in a critical access hospital, your copayment may be higher and may exceed the Part A hospital stay deductible.

## What are my rights?

No matter what type of Medicare coverage you have, you have certain guaranteed rights, including the right to:

- Get answers to your Medicare questions.
- Learn about all of your treatment choices and participate in treatment decisions.
- Get a decision about health care payment or services, items, or Medicare drug coverage.
- Appeal certain decisions about health care payment, coverage of services, items, or drug coverage.
- File complaints (sometimes called "grievances"), including complaints about the quality of your care. You can file these complaints with different entities, like your Beneficiary and Family Centered Care Quality Improvement Organization (BFCC-QIO) and your health plan.

For more information about your rights, the different levels of appeals, and Medicare notices, visit [Medicare.gov/basics/your-medicare-rights](https://www.medicare.gov/basics/your-medicare-rights). You can also call 1-800-MEDICARE (1-800-633-4227). TTY users can call (1-877-486-2048).

## Where can I get more help?

- If you need help understanding your hospital status, talk to your doctor or someone from the hospital's utilization or discharge planning department.
- To ask questions or report complaints about the quality of care of a Medicare-covered service, call your Beneficiary and Family Centered Care Quality Improvement Organization (BFCC-QIO). The BFCC-QIO is administered for Medicare by Commence or Acentra, depending on what state you live in. Check their websites at [commencehealthqio.cms.gov](https://commencehealthqio.cms.gov) and/or [acentraqio.com](https://acentraqio.com) to make sure you're contacting the right organization for your state. You can also call 1-800-MEDICARE (1-800-633-4227) to get the phone number. TTY users can call 1-877-486-2048.
- To ask questions or report complaints about your care, call your State Survey Agency. Visit [CMS.gov/medicare/health-safety-standards/quality-safety-oversight-general-information/contact-information](https://www.cms.gov/medicare/health-safety-standards/quality-safety-oversight-general-information/contact-information) or call 1-800-MEDICARE to find your State Survey Agency.
- To find and compare information about the quality of care at Medicare-certified hospitals, including Veterans Administration (VA) medical centers and military hospitals, across the country, visit [Medicare.gov/care-compare](https://www.Medicare.gov/care-compare).
- For more information about how Medicare covers care in a SNF, visit [Medicare.gov/coverage/skilled-nursing-facility-care](https://www.Medicare.gov/coverage/skilled-nursing-facility-care).



## Medicare

You have the right to get Medicare information in an accessible format, like large print, braille, or audio. You also have the right to file a complaint if you feel you've been discriminated against. Visit [Medicare.gov/about-us/accessibility-nondiscrimination-notice](https://www.medicare.gov/about-us/accessibility-nondiscrimination-notice), or call 1-800-MEDICARE (1-800-633-4227) for more information. TTY users can call 1-877-486-2048.

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