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The Honorable Joe Courtney
U.S. House of Representatives
2332 Rayburn House Office Building
Washington, DC 20515

Dear Representative Courtney,

SHM, representing the nation's hospitalists, is pleased to offer our support for the reintroduction of the Improving Access to Medicare Coverage Act. This legislation will make days spent in observation count towards Medicare's three-day stay requirement for skilled nursing facility (SNF) coverage, ensuring Medicare beneficiaries receive the quality care they need without facing exorbitant and unexpected medical bills. Your legislation is an important first step to address problems related to observation status and ensure beneficiaries qualify for much needed care.

Hospitalists are front-line physicians in America's acute care hospitals. They focus on the general medical care of hospitalized patients and manage the inpatient clinical care of their patients. As hospitalists, our members are often involved in status determinations, SHM estimates that hospitalists the vast majority of observation care to hospitalized Medicare patients each year. As a result, our members are uniquely positioned to understand and identify problems related to current observation policies.

Observation care was meant to last fewer than 24 hours and rarely span more than 48 hours; however, the incidence and duration of observation stays has increased significantly over the past ten years. While patients admitted into observation receive nearly identical care to those in inpatient care under Medicare Part A, observation is billed as outpatient under Medicare Part B. As such, patients face highly variable out-of-pocket costs (coinsurance), particularly when they need post-acute care.

Time spent under observation does not count towards the three-day inpatient stay requirement required for Medicare SNF coverage since observation is considered outpatient care. Patients discharged from observation to SNFs are faced with the decision to pay extremely high and unexpected bills for SNF stays or forego necessary follow-up care. Furthermore, beneficiaries in the most disadvantaged communities are more likely to have an observation stay, have a repeated observation stay within 30-days, and experience long-term reobservation. The three-day stay requirement perpetuates existing healthcare access inequities. This legislation would help address this disparity.



During the on-going COVID-19 Public Health Emergency, the Centers for Medicare and Medicaid Services (CMS) waived the three-day stay requirement for SNF coverage. This facilitated placing patients who needed post-acute care into SNFs based on their clinical needs, not a payment policy. In our members' experiences, this waiver demonstrated how the current Medicare policy for SNF coverage is an unnecessary impediment to getting patients the care they need.

SHM strongly supports the Improving Access to Medicare Coverage Act and stands ready to support its passage.

Sincerely,

A handwritten signature in black ink that reads "Danielle Scheurer MD". The signature is written in a cursive, flowing style.

Danielle Scheurer, MD, MSCR, SFHM
President
Society of Hospital Medicine