



# Leadership Council of Aging Organizations

*James P. Firman, Chair*

March 28, 2013

The Honorable Sherrod Brown  
United States Senate  
Washington, DC 20510

The Honorable Joe Courtney  
The Honorable Tom Latham  
United States House of Representatives  
Washington, DC 20515

Dear Senator Brown and Representatives Courtney and Latham:

The Leadership Council of Aging Organizations (LCAO) – a coalition of national not-for-profit organizations representing 60 million older Americans – is pleased to support S. 569 and H.R. 1179, the "Improving Access to Medicare Coverage Act of 2013." These bills address a problem faced by Medicare beneficiaries who are placed in observation status instead of being formally admitted to the hospital as inpatients.

"Observation" is the term used to describe the outpatient status of a patient who is in a hospital bed, but who is not called an inpatient. Patients in observation status receive medical and nursing services, tests, medications, and food and they are often intermingled with inpatients. The care is indistinguishable from the care received by inpatients. Although Medicare rules limit observation to, at most, 24-48 hours, many older people and people with disabilities nationwide are experiencing much longer stays in acute care hospitals under observation.

Since the Medicare statute requires that patients have at least three consecutive days of inpatient status (not counting the date of discharge) in order to qualify for Medicare-covered care in a skilled nursing facility (SNF), a major consequence for beneficiaries of not being classified as inpatients is that their subsequent stays in SNFs are not covered by Medicare. In addition, the prescription drugs that patients take while in the hospital in observation status are not paid for, as they would be if the beneficiaries were inpatients.

S. 569 and H.R. 1179 amend the Medicare statute's definition of "post-hospital extended care services" to clarify that Medicare beneficiaries in observation are deemed inpatients in the hospital. Under the language of the bills, a patient who is in the hospital under observation status would be deemed to have been an inpatient during that time period and would generally be considered to have been discharged upon leaving the hospital. The bills would apply retroactively to periods of observation status that began on or after January 1, 2013, but only to beneficiaries who appeal the completed services in question within 90 days of the enactment of the Act. These changes will help ensure that Medicare beneficiaries receive SNF coverage to which they are entitled under Medicare Part A.

We thank you on behalf of the older Americans we represent. We look forward to working with you to secure passage of this legislation.

Sincerely,

AARP  
AFL-CIO  
AFSCME Retirees  
Alliance for Retired Americans  
Alzheimer's Foundation of America  
American Association of International Aging (AAIA)  
American Society on Aging (ASA)  
Catholic Health Association of the United States (CHA)  
Center for Medicare Advocacy, Inc. (CMA)  
Families USA  
Gray Panthers  
LeadingAge  
Lutheran Services in America (LSA)  
Medicare Rights Center  
National Academy of Elder Law Attorneys (NAELA)  
National Association of Area Agencies on Aging (n4a)  
National Association of Nutrition and Aging Services Programs (NANASP)  
National Association of Professional Geriatric Care Managers (NAPGCM)  
National Association of Social Workers (NASW)  
National Association of State Long-Term Care Ombudsman Programs (NASOP)  
National Association of States United for Aging and Disabilities (NASUAD)  
National Caucus and Center on Black Aged, Inc. (NCBA)  
National Committee to Preserve Social Security and Medicare (NCPSSM)  
National Consumer Voice for Quality Long-Term Care  
National Council on Aging (NCOA)  
National Hispanic Council on Aging (NHCOA)  
National Senior Citizens Law Center (NSCLC)  
OWL – The Voice of Midlife and Older Women  
PHI – Quality Care through Quality Jobs