

April 11, 2024

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The Honorable Sherrod Brown
United States Senate
503 Hart Senate Office Building
Washington, DC 20510

The Honorable Sheldon Whitehouse
United States Senate
530 Hart Senate Office Building
Washington, DC 20510

The Honorable Susan Collins
United States Senate
413 Dirksen Senate Office Building
Washington, DC 20510

Dear Senators Brown, Whitehouse, and Collins,

The Society of Hospital Medicine, 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. This 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. SHM estimates that hospitalists oversee 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 fifteen 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 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.

Furthermore, the three-day stay waivers issued during the COVID-19 public health emergency (PHE), empowered clinicians to focus on patient needs, rather than an outdated administrative policy. The three-day stay waiver helped facilitate the transfer of patients based on their clinical needs – rather than a payment policy, helping patients get the care they needed at the appropriate level. This PHE-era policy demonstrates how the current three-day stay requirement is an unnecessary impediment to SNF coverage. We need to pass this legislation to begin eliminating bureaucratic barriers to necessary medical care.

The Improving Access to Medicare Coverage Act is an important step to ensuring patient access to post-acute care. SHM is pleased to offer our support to help secure the passage of this legislation.

Sincerely,



Kris Rehm, MD, SFHM
President, Society of Hospital Medicine