



FEDERAL UPDATE: Medicare Agency's Inpatient Status Rule Needs Refinement, More Review

The Centers for Medicare and Medicaid Services (CMS) “two-midnight rule” governing short inpatient stays went into effect October 1, 2013, but additional guidance from the agency falls short of definitive direction, says the hospital industry. CMS released its “two-midnight rule” policy in response to providers’ and patients’ confusion about what qualifies as inpatient care versus outpatient care in a hospital for Medicare reimbursement purposes. Patients placed on observation status are at this level of care because the treating physician/care team concludes that more time to observe symptoms and developments in order to arrive at the correct diagnosis is in the best interest of the patient. Therefore, the length of observation stays varies on a case-by-case basis. The new rule states that only hospital stays that last two-midnights or more are inpatient stays. However, CMS’ guidance on the subjective and often ambiguous issue of patient status remains incomplete and the hospital industry maintains that in the best interest of patients this “two-midnight rule” should be suspended. The agency’s determination of inpatient versus outpatient status has implications for provider payment and patient co-payment/deductible responsibilities.

STATE UPDATE: NY Examining Insurance Fix; Meanwhile Marketplace Enrollment Continues

New York’s insurance regulators remain undecided about allowing the insurance fix offered last week by President Obama to take effect in this state. That fix extends to individual insurance policies recently cancelled by insurers because the policies do not conform to the Affordable Care Act (ACA) essential benefits coverage. The White House will now allow individuals to purchase those cancelled policies and keep them for one year. State insurance commissioners must decide on the sale of such policies and then insurers have the option to re-issue them.

Despite this recent development, business on New York’s marketplace continues at a healthy pace. The New York State Department of Health reports that since the marketplace opened October 1, 2013, 48,162 people enrolled in plans and another 197,011 have completed the application process and need to select a plan. A substantial number of those who enrolled qualified for Medicaid and Child Health Plus. Applicants can enroll online at www.nystateofhealth.ny.gov, by phone at 1-855-355-5777, or with the assistance of an in-person navigator. On Long Island, the Nassau-Suffolk Hospital Council, one of the local hospital associations that is part of the Suburban Hospital Alliance of New York State, LLC, is one of three state-appointed navigator agencies serving the Long Island region. The Hudson Valley region is serviced by the Community Service Society of New York, Maternal Infant Services Network of Orange, Sullivan, and Ulster counties and the Westchester County and Rockland County Departments of Health. The marketplace offers four metal tiers – bronze, silver, gold, platinum – to choose from with different co-pays, deductibles, and out-of-pocket limits. Based on income and family size, applicants may be eligible for premium assistance and/or further cost sharing assistance. Small businesses may be eligible for tax credits. Enrollment continues through March 31, 2014, but for insurance that is effective January 1, 2014 applicants must apply by December 15, 2013.

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