11. What is the difference in billing?
“Observation” stay is billed under outpatient services (under Medicare this would be under Part B), while “inpatient” admission is billed under inpatient services (under Medicare this would be billed under Part A).

12. Will my “out-of-pocket” costs change?
Yes. Because “observation” status is an outpatient classification and covered under Medicare Part B, your co-pays and deductibles may be higher than Medicare Part A.

13. Will Medicare cover a Skilled Nursing Facility placement after an “Observation” stay in the hospital?
No. “Observation” status is not a Medicare-qualifying stay and you will be fully responsible for payment.

For more information, call your Case Manager at:
Downtown Naples (239)624-5000
ext._____

North Naples (239)552-7000
ext._____

This information is primarily for Medicare patients FMQAI 1-800-564-7490
For information regarding coverage by your private insurance provider, contact your insurance customer service line.
1. What is “outpatient observation”?
“Observation” is an insurance term that means that patients who have problems (which normally do not qualify for a hospital stay) can be allowed to stay in the hospital for a “short amount of time”.

2. What is meant by a “short amount of time”?
Each insurance company has a different amount of time that it covers in “observation”. Medicare “observation” services cannot exceed 48 hours. Normally, a decision to release or admit is made within 24 hours.

3. What kind of problems do people have that would put them in “observation”?
Problems that normally can be treated in a “short amount of time” (24 – 48 hours) or conditions for which the cause has not yet been determined.

4. What are some examples of these problems?
Some examples are nausea, vomiting, weakness, stomach pain, headache, kidney stones, fever, some breathing problems, and some types of chest pain.

5. What happens at the end of the “short amount of time”?
Your physician will decide whether to release you from the hospital or to admit you as an inpatient.

6. What if my physician decides my condition requires acute inpatient care?
Your physician must then write an order to convert you from “observation” to “inpatient” status.

7. What if my physician decides that I do not require acute inpatient care?
If your physician decides that you can be treated in a less acute setting (not a hospital setting), you will be released, possibly with home care services, if necessary.

8. Can I be placed into “observation” after having an outpatient surgical procedure?
Only if it is medically necessary. Medicare allows for a 4–6 hour “recovery period”. The intent of outpatient surgery is to have your surgery and be discharged the same day. However, if you experience a postoperative complication, then your physician may place you into “observation” to monitor you further.

9. What type of post-surgical conditions may need more evaluation in “outpatient observation”?
Some examples are:
- Inability to urinate
- Inability to keep solids or liquids down requiring I.V. feedings
- Inability to control pain
- Unexpected surgical bleeding
- Unstable vital signs
- Inability to walk after spinal anesthesia

10. What if I want to spend the night after my outpatient surgery? Will Medicare cover this?
No, Medicare will only pay if there is a medical reason to stay. If you choose to stay over for patient/family convenience, you will be fully responsible for payment.