

CONNECTICUT ASSOCIATION OF HEALTH CARE FACILITIES, INC.

March 14, 2014

Written testimony of Matthew V. Barrett, Executive Vice President, Connecticut Association of Health Care Facilities (CAHCF) in support of the patient observation provisions in H.B. No. 5535 (RAISED) AN ACT CONCERNING NOTICE OF A PATIENT'S OBSERVATION STATUS AND NOTICE CONCERNING THE QUALIFICATIONS OF THOSE WHO PROVIDE HEALTH CARE AND COUNSELING SERVICES

Good afternoon Senator Gerratana, Representative Johnson and to the members of the Public Health Committee. My name is Matthew V. Barrett, Executive Vice President of the Connecticut Association of Health Care Facilities (CAHCF), our state's one hundred and sixty-seven (167) member trade association of skilled nursing facilities and rehabilitation centers. Thank you for this opportunity to submit written testimony in support of the patient observation provisions in H.B. No. 5535 (RAISED) AN ACT CONCERNING NOTICE OF A PATIENT'S OBSERVATION STATUS AND NOTICE CONCERNING THE QUALIFICATIONS OF THOSE WHO PROVIDE HEALTH CARE AND COUNSELING SERVICES.

CAHCF supports the provisions in the bill concerning status of a patients observation status. Skilled nursing facilities and rehabilitation centers in Connecticut serve our most vulnerable citizens – frail elders and those with disabilities who need complex medical, rehabilitative, and restorative care, 24 hours a day, 7 days a week. CAHCF is concerned that Medicare beneficiaries' access to care is being constrained by the increased use of extended hospital stays in observation status. This legislation is consistent with reforms being sought at the federal level.

There is bipartisan support in both the House and Senate to fix this problem. Representatives Joseph Courtney (D-CT) and Tom Latham (R-IA) have introduced the *Improving Access to Medicare Coverage Act of 2013* (H.R. 1179) to address these situations. Senator Sherrod Brown (D-OH) has introduced a companion bill, S. 569, cosponsored by Senator Susan Collins (R-ME).

In order to access the SNF benefit under Medicare Part A, patients currently must be admitted to a hospital for at least three days. The *Improving Access to Medicare Coverage Act of 2013* would deem time an individual spends under observation status eligible to count towards satisfying the three-day stay requirement.

Increasingly, hospitals are keeping patients under observation for extended time periods rather than admitting them as inpatients. A study found that between 2007-2009, hospital use of observation stays increased 25%. At the same time, patients remained in observation status, with an 88% increase in the number of patients staying at least 72 hours, well past Medicare's recommended 24-48 hours for this status. In addition, stays of many days, well beyond 72 hours, have been reported.

If a Medicare beneficiary spends an extended period in the hospital as an observation patient and needs skilled nursing facility care once released, the patient will have to pay out-of-pocket for post-acute care. Medicare will not cover these services under Part A, even if the observation stay lasted more than three days because, technically, the patient was not admitted as an inpatient. CAHCF believes that all days spent in a hospital, regardless of “inpatient” or “observation” status, should count toward Medicare’s three-day hospital stay requirement. However, these reforms remain pending in Congress. Therefore, in the meantime, the notice provisions contained in this state legislation, H.B. No. 5535, are extremely important so that consumers, their families, and the provider community fully understand the implications of the hospital stay. Finally, our members would welcome the opportunity to work with representatives of Connecticut hospitals and the Public Health Committee to address any concerns with these notice provisions.

Thank you. I would be happy to answer any questions you may have.

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