

To understand this better, see the chart below. Let's say a patient stays at the hospital for 4 days, and the care provided ends up costing \$10,000. Keep in mind that costs can vary greatly depending on the type of care provided during that time.

**Example: Estimated Costs under Inpatient and Observation Status for a 4 day Hospital Stay**

Term to Know- Deductible: What the patient must pay before Medicare pays.

| <b>Inpatient</b>   | <b>Observation</b>   |   |
|--|--|---|
| <b>Medicare Part A</b>   | <b>Medicare Part B</b>   | <b>Medicare Part D</b>  |
| 4 day stay: \$10,000   | 4 day stay: \$10,000   |   |
| <p><b>Costs</b><br/> <i>Hospital Deductible \$1260</i></p> <p>After deductible the patient pays \$0 for first 60 days.</p>   | <p><b>Costs</b><br/> <i>Part B Deductible: \$166</i></p> <p>After the deductible, the patient pays 20% of services provided during hospital stay.</p>  | <p>There is a chance that the hospital pharmacy is out of network and patients will be stuck with the full cost of medications.</p> |
| <p><b>Skilled Nursing</b><br/>                     Skilled Nursing is a covered benefit after discharge with 3 day stay</p>  | <p><b>Skilled Nursing</b><br/>                     The patient is responsible to pay for all skilled nursing services.</p>   |   |
| <p><b>Medications</b> are covered.</p>   | <p><b>Medications</b> may not be covered.</p>  |   |
| <p><b>Total cost to patient:</b><br/> <b>\$1260 for Medicare covered services.</b><br/>                     Skilled nursing is covered after the patient leaves the hospital since they stayed for 3 days as an inpatient.</p> | <p><b>Total cost to patient:</b><br/>                     \$166 deductible + 20% of \$10,000= \$166+\$2000=<br/> <b>\$2166 for hospital services only, plus extra costs for medications and skilled nursing.</b><br/>                     The patient would not have any skilled nursing facility services covered after their stay. If the patient did go to a skilled nursing facility, they could owe <u>\$205 per day</u> or more.</p> |   |