KG

Three nights in a hospital bed: *do they count?*

Traditional Medicare generally covers skilled nursing only after three inpatient days in a row, not counting the discharge day. The status on the paperwork decides, not the bed.

NEW IN 2026 · THE TEAM EXCEPTION

After certain operations, including hip and knee replacement and surgery for a broken hip or thighbone, at a hospital in Medicare's TEAM payment program, eligible traditional Medicare patients can go without the three days to a skilled nursing facility that has held at least a three-star Medicare rating for most of the past year. Ask the case manager whether it applies.

Was the patient formally admitted as an inpatient at any point?

NO — OBSERVATION THE WHOLE TIME

Those nights do not count toward the three days, however many there were.

× **The *Alexander v. Azar* appeal does not apply.** It covers people admitted as inpatients and then reclassified. Ordinary Medicare appeal routes still exist.

YES — AND IT WAS NEVER CHANGED TO OBSERVATION

Only days from the inpatient admission count; observation nights before it do not. Three in a row, not counting the discharge day, meet the requirement.

✓ **Nothing to appeal.** Confirm the dates on the discharge paperwork before the transfer.

YES — BUT THE HOSPITAL CHANGED IT TO OBSERVATION

This is where a real appeal right exists.

Still in the hospital?

✓ **Yes:** a fast appeal has been available since February 14, 2025. The hospital must give eligible patients a Medicare Change of Status Notice. Filed before discharge, the appeal stops the hospital from billing the patient for the disputed services until it is decided.

No, already discharged: it depends on when the status changed. Before February 14, 2025: the after-the-fact route closed on January 2, 2026, and late requests are denied as untimely unless good cause is shown. Since then: an appeal can still be filed after discharge, without the billing protection.

BEFORE ANY TRANSFER, ASK

How many inpatient days does the record show? Get the dates.

IF SKILLED NURSING IS LIKELY

Raise the three-day question with the hospital case manager while there is still time for it to matter.

This chart covers traditional Medicare. Rules differ under Medicare Advantage. A State Health Insurance Assistance Program can help with any of these steps.

Kevin E. Groh, PA-C Physician assistant, physical medicine & rehabilitation

Scan or visit · kevineugenegroh.com/rehab/medicare-3-day-rule-explained/

General education, not legal or medical advice. Sources: CMS, Hospital Appeals – Change of Inpatient Status (*Alexander v. Azar*); 42 CFR 405.1211; Medicare.gov, Skilled nursing facility care; CMS MLN Matters MM14098 (TEAM). Updated Nov 2026.