

The price of admission: What determines observation -vs- inpatient hospital stays?

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Video Abstract

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Abstract

Observational hospital stays allow physicians to evaluate and treat patients while determining the need for further intervention. These stays typically last less than 24 hours. Inpatient stays, on-the-other-hand, may be much longer, as they are often directed towards patients with more serious medical conditions. Sometimes, however, unnecessary inpatient admissions can result in short stays that could have been managed under observation status. But why does this matter? Though it may sound insignificant, this distinction comes at a price: veterans subjected to full copayment and admitted to observation status pay approximately 4% the amount paid by those admitted with inpatient status – for the same amount of time spent in the hospital. To identify patient characteristics associated with these types of hospital stays, a team of researchers analyzed nearly a decade's worth of admission records from veterans hospitals throughout the US. Sifting through millions of records, they identified patients that had been diagnosed with chest pain and focused on those that were admitted to either observation stays or inpatient stays lasting less than 48 hours. Using statistical analyses and considering attributes such as age, gender, and race, the research team compared the two admission categories. The researchers found high variation between hospitals but low variation within hospitals regarding observation stay usage. While they found that female patients have a 10% greater chance of being placed in observation, the team identified very few patient characteristics associated with the different types of hospital admissions. What they did find, however, was that for veterans presenting with chest pain, the proportion of observation stays has increased in recent years. This may be the result of patient preference or due to ever-diminishing space availability in VA health facilities. When it comes to billing, the categorization of patients is important as observation stays are considered an outpatient service and, thus, incur substantially lower costs than inpatient stays, even if the length of stays are identical. This study highlights the need to develop clinical protocols to accurately identify which patients are appropriate to simply keep for observation and which should be admitted for inpatient care.