Reviewer's report

Title: "Implications of Cost-Sharing for Observation Care among Medicare Beneficiaries: A Pilot Survey"

Version: 0 Date: 04 Jan 2019

Reviewer: Timothy Callaghan

Reviewer's report:

Thank you for the opportunity to review "Implications of Cost-Sharing for Observation Care among Medicare Beneficiaries: A Pilot Survey" for BMC Health Services Research. This manuscript uses an original survey in Delaware hospitals to study the attitudes of Medicare patients about hospitalization under observation status and subsequent cost-sharing implications. The manuscript focuses on an interesting topic and one of growing importance as the Medicare population continues to grow. That said, I believe that significant revisions are needed to the manuscript before publication.

My primary issue with the manuscript is its sample size. While the authors are forthcoming about the pilot nature of the study - noting it as a key limitation and acknowledging that resources limited the data collection period - the generalizability of these findings is a real concern. Trying to come to any definitive conclusions from just 144 patients in two hospitals is questionable, particularly when the authors acknowledge that power analysis indicates that at least 686 participants are needed for sufficient power in the study. The authors can and should do more to discuss how these results might change with a larger sample size and to discuss the generalizability of the results more broadly.

Outside of the study's small sample size, several questions arose in reading the methods used for the project. Specifically, more detail is needed in describing many of the survey questions. For example, why were the original NHIS questions condensed into dichotomous variables? Perhaps more importantly, did this happen before participants were asked the question (i.e. they answered yes/no) or after (i.e. only condensed for analysis). Similarly, you note on page 4 that questions 17-21 were demographic in nature. What demographic questions? Finally, were participants asked if they had been hospitalized under observation status previously? This could change responses to other survey questions.

Other minor issues stood out throughout the manuscript as well:

Given the broad readership of this journal, it might be helpful early on to discuss why some patients are given hospital outpatient status instead of being treated as a hospital inpatient. This would provide helpful context to improve reader understanding of the issue.
You note early on "as more beneficiaries are exposed to Part B cost-sharing for their hospitalizations" - you should provide cites showing this trend.

You note that respondents and non-respondents were similar on key characteristics except age. How do they differ based on age? This is clear in Table 1 but not in the body of the paper.

On page 7 in the paragraph starting with "over half of respondents" - there is an "of" included in the first sentence that should be deleted and an "of" missing from the second sentence.

The final paragraph of the discussion section (before limitations) is a bit repetitive. It could be cut considerably without any loss to the manuscript.

Finally, I believe that this manuscript could benefit from a more detailed discussion of directions for future research in the conclusion. While this paper's findings related to low income patients and anticipated future behavior are interesting, it emphasizes the need for future work to study how hospitalization under observation status actually does impact future health seeking behavior. Noting the need for this future work and how your paper is a necessary first step towards that end would be valuable. Similarly, given the role for economic circumstances that you identify, future work could also benefit from exploring how variance in anticipated costs for patients hospitalized under observation status (based on condition and severity) influences anticipated and actual future behavior. This question is arguably beyond the scope of the current paper but would be worthwhile to note if adding a discussion of opportunities for future research in this area.

**Are the methods appropriate and well described?**
If not, please specify what is required in your comments to the authors.

Yes

**Does the work include the necessary controls?**
If not, please specify which controls are required in your comments to the authors.

Yes

**Are the conclusions drawn adequately supported by the data shown?**
If not, please explain in your comments to the authors.

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