
Health Care & Wellness Committee

HB 1186

Brief Description: Requiring notification to patients in observation status at hospitals.

Sponsors: Representatives Clibborn, Springer, Johnson, Senn, Moeller, McBride, Walkinshaw, Calder and Fey.

Brief Summary of Bill

- Requires hospitals to provide patients with information about the implications of being placed on observation status.

Hearing Date: 2/6/15

Staff: Chris Blake (786-7392).

Background:

Medicare is a federally operated program that provides insurance to people over 65 years old and those who are under 65 years old and have been deemed disabled under the Social Security Act. Medicare covers inpatient care in hospitals and skilled nursing facilities, hospice care services, and home-care services. Additional medically necessary benefits are also covered, including physician services, outpatient care, and durable medical equipment.

Medicare policies define "observation status" as clinically appropriate services that are provided to a patient in a hospital while a decision has yet to be made as to whether the patient should be admitted as an inpatient or discharged. These services include short-term treatment, assessment, and reassessment. Medicare policy indicates that decisions on hospital admission or discharge can usually be made in less than 24 hours and only "rare and exceptional" cases require more than 48 hours in observation status.

Medicare enrollees who have spent at least three consecutive days as an inpatient of a hospital may receive certain post-hospital extended care services under Medicare. Extended care services include skilled nursing services or skilled rehabilitation services provided at a skilled nursing

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facility. Time spent in observation status or in an emergency department does not count toward the three-day prior-stay requirement.

Summary of Bill:

A hospital must provide oral and written notification to each patient or the patient's representative within 24 hours of the patient being placed in observation status by the hospital. The notice must be signed by the patient or the patient's representative to verify that it was received and understood. The notice must include the following information:

- a statement that the patient is under observation status and is not admitted to the hospital;
- a statement that observation status may affect the patient's insurance coverage for hospital services, home or community-based care, or skilled nursing facilities;
- a recommendation to contact the patient's insurance provider for more information about the implications of being determined to be in observation status; and
- a recommendation that the patient or patient's representative consult the patient's physician about the risks of leaving the hospital prior to discharge.

"Observation status" is defined as the classification of a patient prior to a hospital's decision to either admit a patient as a hospital inpatient or discharge the patient from the hospital.

Appropriation: None.

Fiscal Note: Requested on January 29, 2015.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.