

HB 599 -- HOSPITAL OBSERVATION STATUS CONSUMER NOTIFICATION ACT

SPONSOR: McGaugh

This bill requires a hospital to provide oral and written notice to a patient of the patient's outpatient status, the billing implications of the outpatient status, and the impact of the outpatient status on the patient's Medicare, MO HealthNet, and private insurance coverage for the current hospital services, including medications and other pharmaceutical supplies and coverage for a subsequent discharge to a skilled nursing facility or home- and community-based care. A hospital must provide notice to a patient or a patient's designee of the patient's outpatient status, and information that provides a general description of outpatient observation status, if:

- (1) The patient receives on-site services from the hospital for more than 23 consecutive hours;
- (2) The on-site services received by the patient include a hospital bed and meals that have been provided in an area of the hospital other than the hospital emergency room; and
- (3) The patient has not been formally admitted as an inpatient to the hospital.

Notice under these provisions must include disclosure of the cost and ramification of the patient's status and the patient's right of appeal regarding outpatient status. The written notice must be signed and dated by the patient or the patient's legal representative to acknowledge receipt, and must also be signed and dated by the staff member who communicates the patient's status. A hospital must provide training to each staff member that communicates outpatient status, billing implication of the outpatient status, and the impact of outpatient status on the patient's eligibility for Medicare so that a staff member is able to adequately respond to inquiries regarding the communication made by a patient and the patient's family. The notice must include language specified in the bill. The bill requires a hospital to provide information to a patient concerning observation status by written notice and by oral notice.

If, during or after a patient receives a hospital service, a patient's inpatient stay is later recategorized, a hospital must not be responsible for a coverage implication or notice requirement under these provisions. If the federal government amends 42 CFR 409.30(a)(1), relating to basic requirements, to eliminate or modify the Medicare three-day qualifying hospital stay requirement in a manner that makes the notification required under these

provisions unnecessary, the Department of Social Services must submit notice of the amendment for publication in the Missouri Register and this section must expire upon publication of the notice.

The bill contains an emergency clause.