

1 S.5

2 Introduced by Senators Ayer, Ashe, and Pollina

3 Referred to Committee on

4 Date:

5 Subject: Health; hospitals; observation status

6 Statement of purpose of bill as introduced: This bill proposes to require  
7 hospitals to provide notice to individuals placed in observation status and to  
8 alert individuals receiving observation services about the potential financial  
9 implications.

10 An act relating to notification of individuals placed in hospital observation  
11 status

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 Sec. 1. 18 V.S.A. § 1905 is amended to read:

14 § 1905. LICENSE REQUIREMENTS

15 Upon receipt of an application for license and the license fee, the licensing  
16 agency shall issue a license when it determines that the applicant and hospital  
17 facilities meet the following minimum standards:

18 \* \* \*

1           (22) All hospitals shall provide oral and written notice to each individual  
2           that the hospital places in observation status as required by section 1911a of  
3           this title.

4           Sec. 2. 18 V.S.A. § 1911a is added to read:

5           1911a. NOTICE OF HOSPITAL OBSERVATION STATUS

6           (a) Each hospital shall provide oral and written notice to each individual  
7           that the hospital places in observation status within 24 hours of such  
8           placement, unless the individual is discharged or leaves the hospital before the  
9           24-hour period expires.

10          (b) Each oral and written notice shall include:

11           (1) a statement that the individual is under observation as an outpatient  
12           and is not admitted to the hospital as an inpatient;

13           (2) an explanation of why the individual has not been admitted;

14           (3) a statement that observation status may affect the individual's  
15           Medicare, Medicaid, or private insurance coverage for hospital services,  
16           including medications and pharmaceutical supplies, and for home and  
17           community-based care or rehabilitative services at a skilled nursing facility if  
18           needed upon discharge from the hospital; and

19           (4) a recommendation that the individual contact his or her health  
20           insurance provider or the Office of the Health Care Advocate to understand  
21           better the implications of placement in observation status.

1       (c) Each written notice shall include the name and title of the hospital  
2       representative who gave oral notice, the date and time oral notice was given,  
3       and contact information for the Office of the Health Care Advocate.

4       (d) Oral and written notice shall be provided in a manner that is understood  
5       by the individual placed in observation status. If the patient lacks the capacity  
6       to understand the medical or financial implications of his or her observation  
7       status, the oral and written notice shall be provided to his or her legal guardian  
8       or authorized representative.

9       (e) Each written notice shall be signed and dated by the individual placed  
10       in observation status, or if applicable by his or her legal guardian or authorized  
11       representative, to verify receipt and an understanding of the oral and written  
12       notice.

13       Sec. 3. EFFECTIVE DATE

14       This act shall take effect on July 1, 2015.