

**Calendar No. 186**114<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION**S. 1349****[Report No. 114-107]**

To amend title XVIII of the Social Security Act to require hospitals to provide certain notifications to individuals classified by such hospitals under observation status rather than admitted as inpatients of such hospitals.

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**IN THE SENATE OF THE UNITED STATES**

MAY 14, 2015

Mr. CARDIN (for himself, Mr. ENZI, and Ms. STABENOW) introduced the following bill; which was read twice and referred to the Committee on Finance

JULY 30, 2015

Reported by Mr. HATCH, without amendment

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**A BILL**

To amend title XVIII of the Social Security Act to require hospitals to provide certain notifications to individuals classified by such hospitals under observation status rather than admitted as inpatients of such hospitals.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Notice of Observation  
3 Treatment and Implication for Care Eligibility Act” or the  
4 “NOTICE Act”.

5 **SEC. 2. MEDICARE REQUIREMENT FOR HOSPITAL NOTIFI-**  
6 **CATIONS OF OBSERVATION STATUS.**

7 Section 1866(a)(1) of the Social Security Act (42  
8 U.S.C. 1395cc(a)(1)) is amended—

9 (1) in subparagraph (V), by striking at the end  
10 “and”;

11 (2) in the first subparagraph (W), by striking  
12 at the end the period and inserting a comma;

13 (3) in the second subparagraph (W)—

14 (A) by redesignating such subparagraph as  
15 subparagraph (X); and

16 (B) by striking at the end the period and  
17 inserting “, and”; and

18 (4) by inserting after such subparagraph (X)  
19 the following new subparagraph:

20 “(Y) beginning 12 months after the date of the  
21 enactment of this subparagraph, in the case of a  
22 hospital or critical access hospital, with respect to  
23 each individual who receives observation services as  
24 an outpatient at such hospital or critical access hos-  
25 pital for more than 24 hours, to provide to such in-  
26 dividual not later than 36 hours after the time such

1 individual begins receiving such services (or, if sooner,  
2 er, upon release)—

3 “(i) such oral explanation of the written  
4 notification described in clause (ii), and such  
5 documentation of the provision of such explanation,  
6 as the Secretary determines to be appropriate;  
7

8 “(ii) a written notification (as specified by  
9 the Secretary pursuant to rulemaking and containing  
10 such language as the Secretary prescribes consistent  
11 with this paragraph) which—

12 “(I) explains the status of the individual as an  
13 outpatient receiving observation services and not as an  
14 inpatient of the hospital or critical access hospital and  
15 the reasons for such status of such individual;  
16

17 “(II) explains the implications of such  
18 status on services furnished by the hospital or critical  
19 access hospital (including services furnished on an  
20 inpatient basis), such as implications for cost-sharing  
21 requirements under this title and for subsequent  
22 eligibility for coverage under this title for  
23 services furnished by a skilled nursing facility;  
24  
25

1           “(III) includes such additional infor-  
2 mation as the Secretary determines appro-  
3 priate;

4           “(IV) either—

5                 “(aa) is signed by such individual  
6 or a person acting on such individ-  
7 ual’s behalf to acknowledge receipt of  
8 such notification; or

9                 “(bb) if such individual or person  
10 refuses to provide the signature de-  
11 scribed in item (aa), is signed by the  
12 staff member of the hospital or crit-  
13 ical access hospital who presented the  
14 written notification and includes the  
15 name and title of such staff member,  
16 a certification that the notification  
17 was presented, and the date and time  
18 the notification was presented; and

19                 “(V) is written and formatted using  
20 plain language and is made available in ap-  
21 propriate languages as determined by the  
22 Secretary.”.



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