1253.7.

(a) For purposes of this chapter, “observation services” means outpatient services provided by a general acute care hospital and that have been ordered by a provider, to those patients who have unstable or uncertain conditions potentially serious enough to warrant close observation, but not so serious as to warrant inpatient admission to the hospital. Observation services may include the use of a bed, monitoring by nursing and other staff, and any other services that are reasonable and necessary to safely evaluate a patient’s condition or determine the need for a possible inpatient admission to the hospital.

(b) When a patient in an inpatient unit of a hospital or in an observation unit, as defined in subdivision (c), is receiving observation services, or following a change in a patient’s status from inpatient to observation, the patient shall receive written notice, as soon as practicable, that he or she is on observation status. The notice shall state that while on observation status, the patient’s care is being provided on an outpatient basis, which may affect his or her health care coverage reimbursement.

(c) For purposes of this chapter, “observation unit” means an area in which observation services are provided in a setting outside of any inpatient unit and that is not part of an emergency department of a general acute care hospital. A hospital may establish one or more observation units that shall be marked with signage identifying the observation unit area as an outpatient area. The signage shall use the term “outpatient” in the title of the designated area to indicate clearly to all patients and family members that the observation services provided in the center are not inpatient services. Identifying an observation unit by a name or term other than that used in this subdivision does not exempt the general acute care hospital from compliance with the requirements of this section.

(d) Notwithstanding subdivisions (d) and (e) of Section 1275, an observation unit shall comply with the same licensed nurse-to-patient ratios as supplemental emergency services. This subdivision is not intended to alter or amend the effect of any regulation adopted pursuant to Section 1276.4 as of the effective date of the act that added this subdivision.

(Added by Stats. 2016, Ch. 723, Sec. 1. (SB 1076) Effective January 1, 2017.)