Facts Nurses Should Know About Patients in Observation Care

1. Observation services are hospital outpatient services given to help the physician decide if the patient needs to be admitted as an inpatient or can be discharged.

2. Observation services are ordered by physicians for patients with problems that can be diagnosed and treated within 48 hours or less, or when the cause for symptoms has not yet been determined. Examples include: abdominal pain, asthma, chest pain, dehydration and vomiting, syncope, headache and/or fever.

3. Patients placed in observation status may occupy any bed in the hospital, but for billing purposes are considered outpatients, not inpatients. Therefore, they are outpatients even though they may be spending nights in the hospital.

4. Many observation patients may be receiving services in the Emergency Department (ED), may transfer to a bed on any unit from the ED, or may be placed in observation status directly from a physician’s office.

5. A physician order is required to convert an observation stay to a full inpatient admission or discharge to another setting, e.g. home health, home.

6. Many patients do not understand billing implications related to their observation status. They are liable for charges that are not covered under Part B Medicare or for all of the charges if they do not have Part B Medicare or other insurance coverage.

7. **Important!** Many patients do not understand that observation days do not count toward Medicare’s medically necessary three-day inpatient hospital stay requirement to qualify for skilled nursing home placement. *(To qualify for skilled nursing benefits under Medicare, the patient must have been admitted to a hospital as an inpatient and stayed for at least three-consecutive days. Otherwise, payment for the skilled nursing stay becomes the patient’s full responsibility.)*

8. Observation stays are usually completed within 24-48 hours resulting in the patient being admitted, discharged or evaluated for an extended observation period.

9. In general, observation care is inappropriate for routine stays following late-day surgery, diagnostic testing, or patient, family or physician convenience.

Contact [name] at [phone] for more information.