

## Part B Insider (Multispecialty) Coding Alert

### Physician Notes: Observation Care Will Require Notice to Patients

**Plus: Hospital comes down on 14 staffers after HIPAA violation.**

Observation care can be confusing from a billing standpoint, but it is even more puzzling for patients who think they were "admitted to the hospital" as inpatients, when in actuality they were simply in the observation unit. That confusion will soon end, however, thanks to a new bill that **President Obama** signed into law on Aug. 7.

The Notice of Observation, Treatment and Implication for Care Eligibility Act (NOTICE Act) requires hospitals to inform Medicare beneficiaries in observation care that they are outpatients—and not inpatients—and whether they will face cost-sharing implications as a result of that outpatient status. In addition, the notice has to inform patients that they will not be eligible for post-discharge skilled nursing facility services since SNF coverage requires a three-day inpatient stay in the hospital.

Although patients cannot typically change to inpatient status after receiving the notice, they can at least make an informed decision of whether or not to pursue post-discharge skilled nursing care, which will cost more due to the lack of an inpatient stay.

In other news...

Virginia's Carilion Clinic took action last week after noticing that 14 employees were accessing patient records without any medical reason for doing so. Several of the staff members lost their jobs over the incident, while others were disciplined, the clinic announced.

"In the wake of a recent high profile event in our region, we learned that 14 employees accessed patient medical records without a legitimate patient-care need," the clinic said in a statement. "Based on the findings of our internal investigation, appropriate actions have been taken with each employee, up to and including termination."

Although the clinic didn't disclose what the high profile event was, it's clear that it is taking the HIPAA law seriously in the wake of the incident. The hospital is now required to report any violations to the government, which can then impose fines and criminal charges if necessary.

Plus:

What's in a name? Potentially thousands of dollars in Medicare reimbursement.

That's the word from Part B MAC NGS Medicare, which revealed in an Aug. 12 email blast that "many providers" are submitting claims in which the beneficiary's name and Medicare number don't match, leading to immediate claim denials.

"To prevent claim rejections, please be sure that your office staff members use the beneficiary's name and Medicare number exactly as it appears on the beneficiary's Medicare card," NGS said in the bulletin. If you see a claim rejected for this reason, it is your office's responsibility to submit a new claim with the right information on it.

