




MOON Update Medicare Outpatient Observation Notice

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CEMC



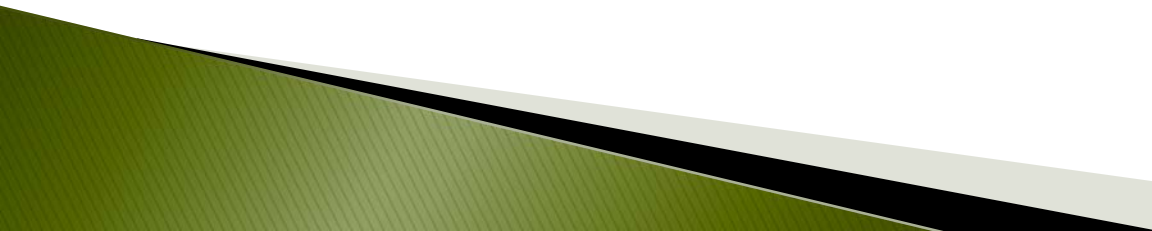
MOON= Medicare Outpatient Observation Notice

- ▶ What is a MOON?
 - ▶ Who gets it?
 - ▶ Required documentation
 - ▶ Concerns
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What is a MOON?

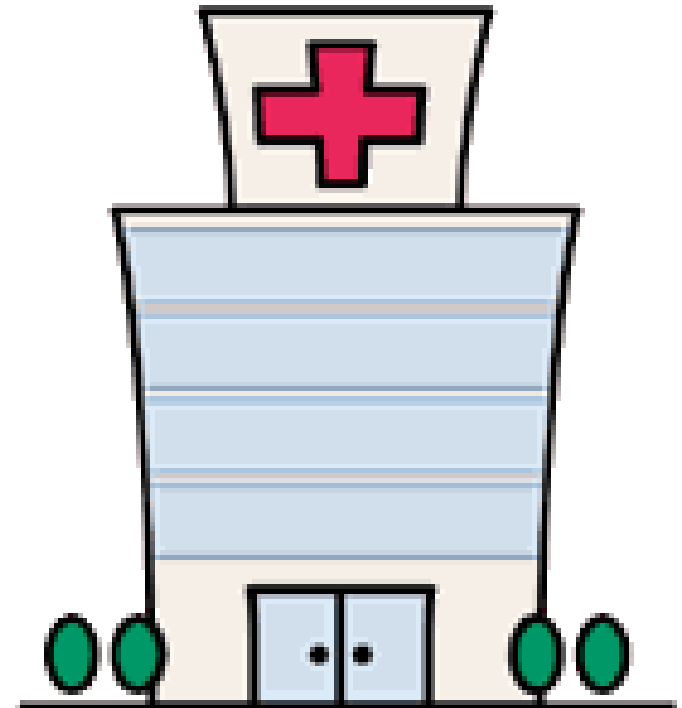
- ▶ The MOON is a standardized notice to inform Medicare beneficiaries (including health plan enrollees) that they are outpatients receiving observation services and are not inpatients of a hospital or critical access hospital (CAH).

Medicare's Observation Status Rule

- ▶ In August 2015 President Obama signed the Notice of Observation Treatment and Implication for Care Eligibility (NOTICE Act)
 - ▶ Requires that hospitals give patients specific details about their observation status and educate them about what services are usually covered by Medicare
 - ▶ Every patient who receives observation care for more than 24 hours must receive a MOON – #CMS-10611
 - ▶ Implementation date: No later than 3/8/17
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What hospitals are affected?

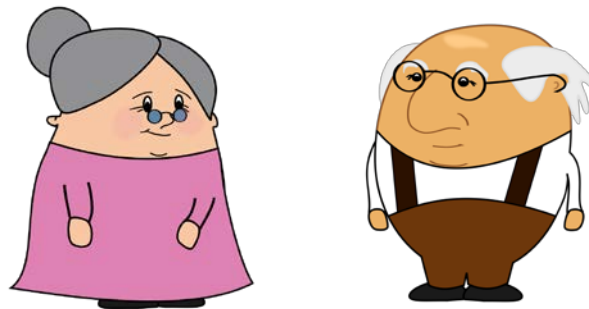
- ▶ All PPS Hospitals
- ▶ All CAH Hospitals
- ▶ Psychiatric Hospitals



Who Receives a MOON?

All Medicare Beneficiaries, including:

- ▶ Patients with Medicare as their primary payer;
- ▶ Those without Part B coverage;
- ▶ Beneficiaries subsequently admitted to inpatient status;
- ▶ Beneficiaries who have Medicare as their secondary payer;
- ▶ Beneficiaries enrolled in a Medicare Advantage program



Who Receives a MOON?

The NOTICE Act states that all beneficiaries **who receive observation services for more than 24 hours** must be given a MOON.

Why do we need MOON?

“I spent the night in the hospital, I must be an inpatient.”

If you were the patient, what would YOU think?

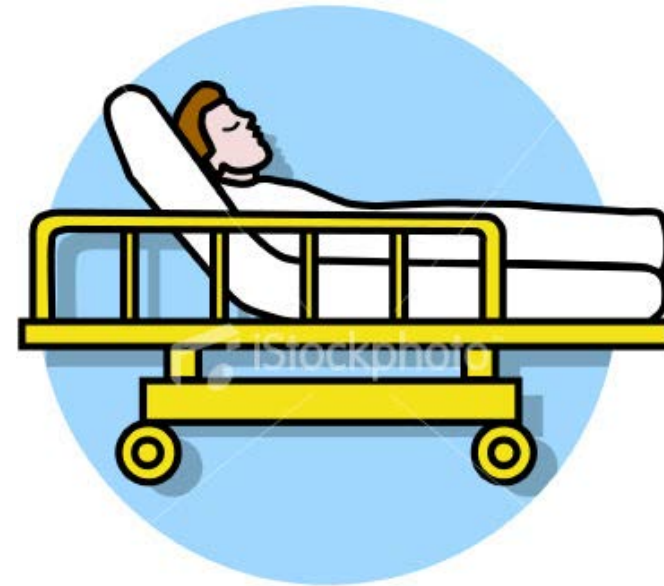


CMS Says...

A patient must be cared for in the most appropriate setting.

If a patient does not need inpatient care, he/she must be cared for as an outpatient. That is the reason we have observation status.

Only a provider can decide whether a patient requires inpatient care or observation care.




Hospital Status

- ▶ Determining the status of the patient's stay (acute inpatient, observation outpatient), impacts how much Medicare beneficiaries (your patients) pay for hospital services.



MOON= Official Medicare Notice

Medicare Outpatient Observation Notice informs patient:

- ▶ Part A does not cover outpatient services
 - ▶ Part B requires a copay for certain hospital and provider services after meeting the deductible
 - ▶ Patients will most likely be charged extra for any self-administered drugs they are taking for chronic conditions
 - ▶ Observation services are not counted toward the 3-day inpatient stay required for Part A post-discharge SNF services.
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What Other Documentation is Required?

- ▶ Standard CMS form with blanks for
- ▶ Patient name and number
- ▶ Attending physician name
- ▶ Date and time observation services begin
- ▶ A description of why the patient is being placed in outpatient observation status
- ▶ OPTIONAL: Additional patient-specific information may be added by the hospital
- ▶ The original signed form must be filed in the patient's medical record.

<http://www.cms.gov/Medicare/Medicare-General-Information/BNI>

When Should the MOON be Given?

- ▶ Patients must be given the form no later than 36 hours after the start of observation services
 - Observation START TIME starts when the physician writes the order.
- ▶ The patient or representative must acknowledge receipt by signing and dating the form
- ▶ Form may be printed or electronically signed
- ▶ Patient **MUST** receive a physical copy of the signed form



Conversation is Mandatory

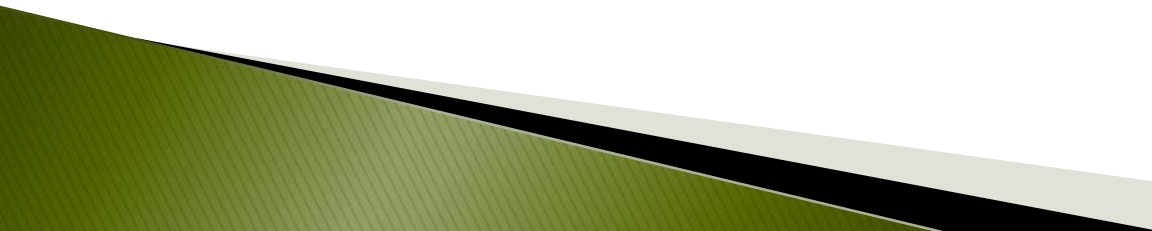
- ▶ Hospital staff are required to verbally inform patients about how Medicare may handle their observation status and associated costs



Who draws the short straw in your facility?

- ▶ Each hospital decides what staff is most appropriate to discuss MOON with patients.

Possibilities:

- **Care Manager/case manager**
 - Financial Counselor
 - Patient access staff
 - Social Worker
- 

Patient Concerns



- ▶ MOON's purpose is to tell patients up front about potential out-of-pocket expenses
- ▶ The beneficiary may have questions about that!
- ▶ Medicare advises that hospitals have pricing information available for patients to review as they read over the MOON form.

Will the MOON shed light on Midnight Madness??

Remember the 2-midnight rule implemented by CMS in FY 2014?

- Purpose to decrease both short inpatient stays and prolonged outpatient observation stays
- Not particularly successful:
 - OIG findings in December 2016
 - Short IP stays down 10%
 - Long observation stays only down 3%
 - Ongoing variation among hospitals in how encounter statuses are determined

Vulnerabilities Remain Under Medicare's 2-Midnight Hospital Policy

MOON process created because of inconsistency in status assignment and ongoing beneficiary confusion



You Can't Jump Over This Moon



All other Medicare notices of coverage determination give beneficiaries an opportunity to appeal to Medicare.

Only the MOON defines the coverage issue as non-appealable.

Medicare advocacy groups contend that just as beneficiaries can challenge a premature discharge or contest a host of other coverage determinations in the Medicare program, they should be able to appeal their placement in Observation Status.

Risks

Patient may leave the hospital AMA:

- ▶ In the conversation with the patient, it's important to explain that the observation status has been determined by the provider, not by the hospital;
- ▶ Establish a follow up process for AMA patients so that they at least visit their PMD after leaving the hospital

You may get complaints!



What if the patient refuses to sign?

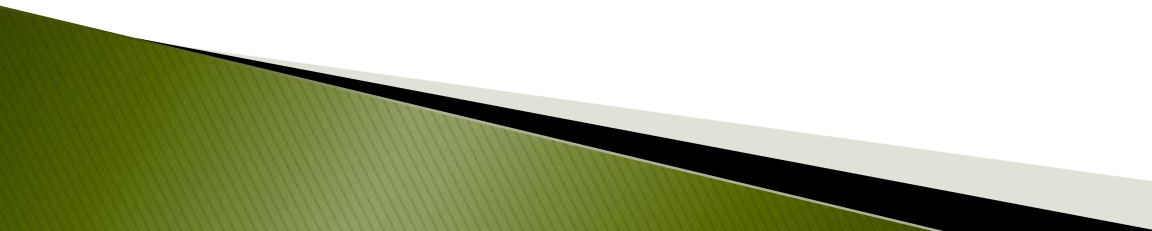
The refusal must be documented on the MOON form.

Example:

I, Jane Doe, RN, care manager, certify that this notice was presented and explained to patient John Smith on 4/30/17 at 10:30 pm and the patient refused to sign the notice.

Jane Doe, RN

4/30/17 10:31 pm



Important Unanswered Questions

What if we have an observation case that requires a MOON and it wasn't delivered?

Can this case be billed?

Is the patient responsible for the charges?

CMS has not addressed any of these coding and billing concerns.

Other Things to Think About

ED– Are your OBS patients held in the ED?
Who will watch the clock to ensure timely
delivery of the notice?

PROVIDERS – Need to know what
information is being given to their
observation patients

HIM– need to educate to look for the notice
and check that it was provided on time
before coding.

What is the process to manage cases
missing the required notice?

Auditing Heaven

- ▶ Auditors will be looking for properly executed MOON forms for all applicable observation cases.
- ▶ Comply or beware!



Additional Information

- ▶ The official instruction, CR9935 regarding this change is available at
- ▶ <https://www.cms.gov/Regulations-andGuidance/Guidance/Transmittals/2017Downloads/R3698CP.pdf>
- ▶ The notice and accompanying instructions are available at <http://www.cms.gov/Medicare/Medicare-General-Information/BNI>





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