

Plus *Release*

Medicare Outpatient Observation Notice (MOON)

Provider Types Affected

This article is intended for hospitals, including Critical Access Hospitals (CAH) submitting claims for outpatient observation services.

What You Need to Know

The MOON informs all Medicare Advantage members when they are an outpatient receiving observation services, and are not an inpatient of the hospital or critical access hospital (CAH).

On August 6, 2015, Congress enacted the Notice of Observation Treatment and Implication for Care Eligibility Act (NOTICE Act) Public Law 114-42, amending Section 1866(a)(1) of the Social Security Act (the Act) (42 U.S.C. 1395cc(a)(1)), by adding a new subparagraph (Y). The NOTICE Act Requires hospitals and CAHs to provide written and oral explanation of such written notification to individuals who receive observation services as outpatients for more than 24 hours.

The MOON must be delivered to beneficiaries in Original Medicare (fee-for-service) and **Medicare Advantage enrollees** who receive observation services as outpatients for more than 24 hours. The hospital or CAH must provider the MOON no later than 36 hours after observation services as an outpatient begin. This also includes beneficiaries in the following circumstances:

- Beneficiaries who do not have Part B coverage (as noted on the MOON, observation stays are covered under Medicare Part B).
- Beneficiaries who are subsequently admitted as an inpatient prior to the required delivery of MOON.
- Beneficiaries for whom the Medicare is either the primary or secondary payer.

Additional Information

The statute expressly provides that the MOON be delivered to beneficiaries receiving observation services as an outpatient for more than 24 hours. In other words, the MOON should not be delivered to all beneficiaries receiving outpatient services. The MOON is intended to inform beneficiaries who receive observation services for more than 24 hours that they are outpatients receiving observation



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services and not inpatients, and the reasons for such status, and must be delivered no later than 36 hours after observation services begin.

However, hospitals and CAHs may deliver the MOON to an individual receiving observation services as an outpatient before such individual has received more than 24 hours of observation services. Allowing delivery of the MOON before an individual has received 24 hours of observation services affords hospitals and CAHs the flexibility to deliver the MOON consistent with any applicable State law that requires notice to outpatients receiving observation services within 24 hours after observation services begin. The flexibility to deliver the MOON any time up to, but no later than, 36 hours after observation services begin also allows hospitals and CAHs to spread out the delivery of the notice.

Additional Resources

To access the form with instructions visit <https://www.cms.gov/Medicare/Medicare-General-Information/BNI/index.html>