

Outpatient Facility Coding Alert

Compliance Alert: Use MOON to Increase Transparency

Getting inpatient/outpatient explanation right is key step in compliance, patient engagement

The MOON notice has now been in effect for over two months, but chances are your hospital staff is still adjusting to the new requirement and change in routine it brings.

A quick recap: The MOON (Medicare Outpatient Observation Notice) is a standardized form that hospitals must give to all Medicare beneficiaries who receive more than 24 hours of hospital care. The MOON notifies the patient that they are an outpatient, why they are an outpatient, and the financial ramifications of that status.

You must also document the specific reason the patient is not being admitted as inpatient. During a February 28th conference call, CMS indicated that hospitals must list a specific clinical reason. A generality like 'Your physician has determined that you don't currently require inpatient admission' is not acceptable.

Some hospitals (like Atlanta's Emory University hospital system) added a pre-printed checklist to the form that lists common reasons for the assignment of outpatient observation status. Such a checklist will surely save time and paperwork, but is it enough to comply with the notice requirements?

Should you 'check the box'?

"It's a tough situation," says attorney **Leslie Demaree Goldsmith** of Baker Donelson. "CMS hasn't really given answers," she continues. Based on the conference call, CMS did indicate that it is ok to use a checklist, but providers must retain the free text field in case there are patient situations that don't fit the checklist.

Use of a checklist is more likely to get conformation by staff because it's easier, Goldsmith explains, but there are drawbacks. Some hospitals may have populations with conditions they treat often that lend themselves to a checklist, but overall it may be difficult for hospitals to come up with such a checklist, Goldsmith explained. "We just don't know how specific we have to be," she says.

Turn paperwork into patient engagement

Specificity is not only a compliance issue—it's an opportunity. Why? When faced with unaffordable out-of-pocket costs, some patients may decide to leave rather than stay in the hospital under observation. "Although it may take extra time up front, engaging in a dialog with the patient about the specific reasons they don't qualify for inpatient admission can help the patient understand the decision," says **Sarah L. Goodman, MBA, CHCAF, COC, CCP, FCS**, president of the consulting firm SLG, Inc., in Raleigh, N.C. If they know it's not arbitrary, they may be more likely to stay under observation status, potentially improving their outcome.

Whether you ultimately decide to use a checklist or not, make sure you cover your bases when it comes to the explanation requirement. Here's how:

- Explain the difference between outpatient and inpatient status and how the decision is made (try creating a standard script).
- Explain the advantages of remaining in the hospital under observation status (like the ability to monitor signs and symptoms).
- Convey to the patient that their medical care is the highest priority.
- Use plain, simple language that the patient can understand.

Due to the MOON's clinical nature, it's understandable to assume you'd always have to have a clinical staff member

explain it. That's not necessarily the case, says Goldsmith. A manager, financial counselor, or social worker could administer the MOON form, she suggests. "Questions are going to come up regarding finances and insurance coverage, and a clinical staff member may not be the best person to answer those questions. However, you need to have a clinical person available in case clinical questions come up."

Don't forget: Your compliance department should be ensuring MOON requirements are being met, says Goldsmith. You'll likely need to update your compliance plan to include MOON. "Sometimes operations doesn't feed back to compliance," Goldsmith says.