

Outpatient Facility Coding Alert

Compliance: Expect the Full MOON Roll Out by October 2016

Shell out \$3285 as cost for providing MOON, and more.

If you have been anxious about the roll out of the Medicare Outpatient Observation Notice (MOON), you may breathe a sigh of relief, at least till October. In a turn of events, CMS consented to provide additional time to review the notification requirements in a standardized form. But don't let that make you off your guard. Use this additional time to prepare yourself for a seamless implementation. Read on to know how.

Grab Ahold of the Timelines

Although the final rule implementing the Notice of Observation Treatment and Implication for Care Eligibility Act (NOTICE Act) was declared on Aug 2, 2016, the final rule clarified that uniform Medicare Outpatient Observation Notice (MOON) was under an ongoing separate approval process, as per the Office of Management and Budget (OMB).

As per CMS, MOON approval may take place by October 1, 2016, at the same time the implementing NOTICE act regulations take effect. Once the final version of the form is approved, hospitals will have to start using it no later than 90 days from the date of final approval.

Master the Anatomy of MOON

The NOTICE Act says that Critical Access Hospitals (CAHs) and hospitals should provide a MOON form and an oral explanation to all those patients who happen to receive observation services in accordance with a physician order for greater than 24 hours, and that you must notify the patient within 36 hours of the beginning of observation services. So, does this requirement help the hospitals, if at all? "It is a benefit to the patient more so than the provider," says **Sarah L. Goodman, MBA, CHCAF, COC, CCP, FCS**, President, CEO, and principal consultant for SLG, Inc, in Raleigh, N.C.

The standardized content of the MOON should include all essential information as per the statute in language which the patient and his caregiver can easily understand. The notice must:

- Be delivered no later than 36 hours after observation services are initiated
- Provide the rationale behind the individual getting observation services
- Explain the implications of receiving outpatient observation services, such as ineligibility for Medicare coverage of Skilled Nursing Facility (SNF) services and cost sharing
- The CAH or hospital must receive the acknowledgment signature of the patient or his representative.

Know These Changes from the Draft

Responding to provider feedback, CMS has already made some changes in the initial draft created last April. They are:

- The entry of a physician's name, date, and time is no longer mandatory.
- There is a blank portion in the document where the hospital can describe the rationale for not considering the patient for an inpatient status.
- The earlier wording in the MOON draft guiding patients to go to the Quality Improvement Organization (QIO), has been removed.

Still the same: More importantly, The MOON should clearly explain to the patients that their observation status may affect their coverage for services such as SNF coverage requiring a three day qualifying inpatient stay, copayments, and prescription drug coverage.

Like the initial draft of MOON, the updated form still guides patients to call 1-800-MEDICARE or ask the hospital staff in case they have any questions.

Give MOON to the Right Patient, the Right Way

Remember, MOON is not for everyone. You may not need to furnish it for every time items and services, or for any patient who has been in the hospital for 24 or more hours. In fact, you are only required to deliver the MOON to individuals receiving observation services pursuant to a physician order as outpatients for more than 24 hours.

The hospitals should keep in mind that they:

- Must deliver a hard copy of the MOON to beneficiaries and enrollees, regardless of whether a paper or electronic version is issued, and whether the signature is taken digitally or manually
- Must retain a copy of the signed MOON
- May store the MOON electronically

If the patient has a representative who is not physically present, hospitals may administer MOON telephonically, so long as they ensure that the representative receives a hard copy by post.

Know What MOON Will Cost You

According to the CMS Office of Enterprise and Data Analytics and CMS Medicare Plan Payment Group, the number of hospitals and CAHs delivering the MOON is estimated to be 6,142, providing roughly 1,399,999 notices annually.

Background:

- On August 6, 2015, Congress enacted the Notice of Observation Treatment and Implication for Care Eligibility Act (NOTICE Act) Public Law 114-42, revising Section 1866(a) (1) of the Social Security Act (the Act) (42 U.S.C. 1395cc(a)(1)).
- Section 1866(a)(1) lists conditions for providers participating in the Medicare program.
- The NOTICE Act adds a new subparagraph (Y) in this section, with a directive for hospitals and CAHs to give notification to Medicare beneficiaries receiving outpatient observation services for greater than 24 hours.

Furthermore, giving the MOON form, along with the oral explanation, is estimated to take roughly 15 minutes. This would give rise to a gross annual hour burden of 350,000 hours, or 57 hours per hospital respondent. Based at an hourly salary of \$67.10 (U.S. Bureau of Labor Statistics' May 2014), the yearly burden on a hospital could mount to \$3,824.81 per hospital.

"Hospitals are already financially burdened in many ways," Goodman says. They may not be ready for this added liability.

The road ahead: You will have three months from the final approval and notification date, to start using the MOON. Keep a watch on the beneficiary notices initiative page

<https://www.cms.gov/Medicare/Medicare-General-information/Bni/index.html>, for update on MOON and implementation timeframes.