

# Insights

## Preparing Your Facility for the MOON

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On January 27, 2017, CMS issued final guidance regarding implementation of its Medicare Outpatient Observation Notice (MOON) program. The MOON informs all Medicare beneficiaries (both traditional fee-for-service and Medicare Advantage) when they are an outpatient receiving observation services, and they are not an inpatient of the hospital or critical access hospital (CAH). **CMS requires all Medicare-certified hospitals and CAH facilities meet its MOON requirements by March 8, 2017.** Incorporating MOON requirements into existing observation workflow requires careful consideration by the provider.

In creating standards for the MOON program, CMS recognized that observation status workflows differ greatly from provider to provider. To that end, CMS does provide some bright-line guidance relative to MOON program compliance:

- Hospitals must deliver the MOON to patients receiving outpatient observation services for over 24 hours
- Hospitals must deliver the MOON to patients within 36 hours of initiating outpatient observation services
- Hospitals must use the standardized Office of Management and Budget (OMB)-approved MOON (but limited alterations may be acceptable)
- Hospitals must provide an oral explanation of the standardized written notice
- A hospital staff representative must always be available to answer questions related to the MOON

Per CMS guidance, hospitals must only deliver the MOON to patients receiving outpatient observation services for over 24 hours. However, a hospital may deliver the MOON before the 24 hour mark has passed. This flexibility was designed to allow for any state law that requires notice within a 24 hour period. These same state-specific notification requirements may require additional language be incorporated into the OMB-approved MOON form, changes which CMS deems acceptable when required. Lastly, CMS provides flexibility in its MOON deliver timeframe to give hospitals discretion in how and when beneficiaries are presented with important paperwork.

Implementing CMS' MOON notification requirements into your existing outpatient observation workflow may prove challenging. To make sure your facility is prepared for CMS' MOON program, please contact Thomas N. Hutchinson at (317) 238-6254 or [thutchinson@kdlegal.com](mailto:thutchinson@kdlegal.com).