

 HAWAII HEALTH SYSTEMS CORPORATION <i>Quality Healthcare for All</i> POLICY	Department: FINANCE	Policy No. FIN 0100A
		Supersedes Policy No. N/A
Subject: MEDICARE OUTPATIENT OBSERVATION NOTICE	Approved By: <i>Brenda S. Ho</i> HHSC Board of Directors By: Brenda Ho Its: Secretary/Treasurer	Approved Date: July 25, 2024
		Last Reviewed: May 20, 2024

I. PURPOSE:

This policy establishes guidelines for the provision of written notification to Individuals entitled to Medicare benefits (or their Representatives) who receive observation services at HHSC's hospitals and Critical Access Hospitals ("CAHs") as outpatients for more than 24 hours.

II. DEFINITIONS:

"Individual" refers to an individual entitled to Medicare benefits under Title XVIII of the Social Security Act, regardless of whether Medicare is the primary or secondary payer, when such individual receives observation services as an outpatient for more than 24 hours.

"Medicare Outpatient Observation Notice" abbreviated as "MOON" is a standardized written notice that includes an explanation of an Individual's status as an outpatient receiving observation services, the reason for the outpatient status and an explanation of the implication of such status. Attached hereto as Appendix 1 is the CMS approved MOON.

"Representative" refers to an Individual's appointed representative (as designated on CMS form CMS-1696) or authorized representative.

Any other terms used in this policy and not defined in this section are defined under 42 U.S.C. § 1395cc(a)(1)(Y) and 42 C.F.R. § 489.20(Y).

III. POLICY:

On August 6, 2015, Congress enacted the Notice of Observation Treatment and Implication for Care Eligibility Act ("NOTICE Act") to ensure Individuals are notified of their status as either inpatient or outpatient "in order to prevent unanticipated cost sharing for services rendered." In accordance with the CMS regulations implementing the NOTICE Act, HHSC's hospitals and CAHs shall provide the MOON to Individuals or their Representatives in accordance with Procedure FIN 0100B.

IV. AUTHORITY:

Notice of Observation Treatment and Implication for Care Eligibility Act ("NOTICE Act"), Pub. L. 114-42, 129 Stat. 468 (August 6, 2015), 42 U.S.C. § 1395cc(a)(1)(Y); 42 C.F.R. § 489.20(y); 81 Federal Register 56761 – 57438 (August 22, 2016).

V. RELATED PROCEDURE:

FIN 0100B

VI. REFERENCE:

CMS, Beneficiary Notices Initiative, Medicare Outpatient Observation Notice (MOON), available at <https://www.cms.gov/Medicare/Medicare-General-Information/BN/> (retrieved on May 20, 2024).