

 <p><b>HAWAII HEALTH SYSTEMS</b> CORPORATION <i>"Quality Healthcare For All"</i></p> <p><b>POLICY</b></p> <hr/> <p>Subject:</p> <p><b>MEDICARE OUTPATIENT OBSERVATION NOTICE</b></p>	<p><b>Department:</b> <b>FINANCE</b></p>	<p><b>Policy No.</b> <b>FIN 0100A</b></p>
	<p><b>Issued By:</b> Edward Chu Chief Financial Officer</p>	<p><b>Revision No.</b> N/A</p>
	<p><b>Approved By:</b></p>	<p><b>Effective Date:</b> April 27, 2017</p>
	<p>HHSC Board of Directors By: Antonette Torres Its: Secretary/Treasurer</p>	<p><b>Supersedes Policy:</b> N/A</p> <p><b>Page:</b> 1 of 2</p>

Last Review: March 10, 2017; Next Review: March 10, 2020

**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.

- IV. APPLICABILITY:** All HHSC Hospitals and CAHs.
- V. 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).
- VI. REFERENCES:** CMS, Beneficiary Notices Initiative, Medicare Outpatient Observation Notice (MOON), available at <https://www.cms.gov/Medicare/Medicare-General-Information/BNI/> (retrieved on February 26, 2017).
- VII. ATTACHMENTS:** FIN 0100B