



Medicare Outpatient Observation Notice (MOON)

The Notice of Observation Treatment and Implication for Care Eligibility Act requires hospitals and Critical Access Hospitals to notify Medicare beneficiaries receiving observation services for more than 24 hours of their status as an outpatient under observation. The notice must be in use no later than March 8, 2017.

CMS has developed a standardized notice, the Medicare Outpatient Observation Notice (MOON) that must be provided to the beneficiary no later than 36 hours after observation services are initiated or sooner upon release. The MOON will have to explain that, because the beneficiary is receiving outpatient rather than inpatient services the following will apply:

- The beneficiary will be subject to cost-sharing requirements that apply to outpatient services; and
- The outpatient stay will not count toward the three-day inpatient stay required for a beneficiary to be eligible for Medicare coverage in a skilled nursing facility.

Hospitals will also be required to give an oral explanation at the same as delivery of the notice and a signature must be obtained from the beneficiary or a person acting on their behalf. If the beneficiary or their representative refuses to sign the notice the hospital providing the notice must sign and certify delivery of the notice.

Observation services:

- Are given to help your doctor decide if you need to be admitted as an inpatient or discharged;
- Are given in the emergency department or another area of the hospital; and
- Usually last 48 hours or less.

How being an outpatient affects what you may have to pay:

Being a hospital outpatient affects the amount you may have to pay for your time in the hospital and may affect coverage of services after you leave the hospital.

Medicare Part B covers outpatient hospital services, including observation services when they are medically necessary. Generally, if you have Medicare Part B, you may pay:

- A copayment for each individual outpatient hospital service that you get; and
- 20 percent of Medicare-approved amount for most doctor services, after the Part B deductible. Part B copayments may vary by type of service. In most cases, your copayment for a single outpatient hospital service won't be more than your inpatient hospital deductible. However, your total copayment for all outpatient services may be more than the inpatient hospital deductible.

If you're enrolled in a Medicare Advantage plan (like an HMO or PPO) or other Medicare health plan (Part C), your costs and coverage are determined by your plan. Check with your plan about coverage for outpatient observation services.

If you are a Qualified Medicare Beneficiary through your state Medicaid program you cannot be billed for Part A or Part B deductibles, coinsurances, and copayments.

Your costs for medications:

Generally, prescription and over-the-counter drugs, including "self-administered drugs," given to you by the hospital in an outpatient setting (like an emergency department) aren't covered by Part B. "Self-administered drugs" are drugs you'd normally take on your own. For safety reasons, many hospitals don't allow patients to take medications brought from home. If you have a Medicare prescription drug plan (Part D), your plan may help you pay for these drugs in certain circumstances. You'll likely need to pay out-of-pocket for these drugs and submit a claim to your drug plan for a refund. Contact your drug plan for more information.

NOTE: Medicare Part A generally doesn't cover outpatient hospital services, like an observation stay. However, if inpatient hospital services become necessary for

you and the hospital admits you as an inpatient based on a doctor's order, generally Medicare Part A will cover inpatient services. Generally, you'll pay a one-time deductible for all of your inpatient hospital services for the first 60 days you're in a hospital.

Medicare Part B covers most of your doctor services when you're an inpatient. You may have to pay 20 percent of the Medicare-approved amount for doctor services after paying the Part B deductible.