

PUBLICATION

CMS Publishes the Medicare Outpatient Observation Notice Form and Instructions [Ober|Kaler]

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On December 8, 2016, CMS published the final version of the Medicare Outpatient Observation Notice (MOON) that hospitals and critical access hospitals (referred collectively as "hospitals" herein) must use to provide notice to certain Medicare beneficiaries receiving observation services for more than 24 hours. A copy of the MOON form and its instructions are available [here](#). Hospitals must begin using the MOON by **March 8, 2017**. Before that date, CMS anticipates providing further guidance on the MOON in its internet-only manuals.

As explained in our prior article on the FY 2017 Inpatient Prospective Payment System Final Rule which implemented the MOON, the purpose of the MOON is to inform certain Medicare beneficiaries in observation status that, among other things, they do not qualify as inpatients and, thus, are subject to Part B cost sharing requirements or outpatient charges. In addition to providing the written notice via the MOON form, hospitals must provide Medicare beneficiaries oral notification explaining the MOON.

Ober|Kaler's Comments

Between now and March 8, 2017, hospitals should review the form and its instructions and should watch for the release of further guidance from CMS about their responsibilities in delivering the MOON, including the required oral notification.