



CLINICAL POLICY

Outpatient Observation Services (MOON)

A. EFFECTIVE DATE :

April 7, 2021

B. PURPOSE :

1. Intended to facilitate the appropriate utilization/provision of Outpatient Observation Services (and thus accurate hospital claims status assignment) and help ensure compliance with the CMS requirement that all prospective payment system (PPS) hospitals have an effective mechanism to provide outpatient observation services to Medicare beneficiaries.
2. To help ensure compliance with regulations/requirements pertaining to Outpatient Observation Services as mandated by the CMS Hospital Outpatient Prospective Payment System (OPPS), Medicare Outpatient Observation Notice (MOON) requirements. This policy also will guide utilization/provision of Outpatient Observation Services to non-Medicare beneficiaries, as appropriate.
3. Is integral to our comprehensive efforts to prevent improper payments related to medically unnecessary services or inappropriate setting in which services are provided.

C. POLICY :

All patients will be evaluated utilizing Milliman or Interqual[®] (IQ) criteria to determine the appropriate status in conjunction with the attending physician input and supporting documentation. The physician advisor (PA) may be utilized to perform secondary review to determine medical necessity on cases that do not meet IQ or Milliman.

D. SCOPE :

AI Case Managers, Licensed Clinical Social Worker, physician advisor, providers

E. DEFINITIONS :

None

F. MATERIAL(S) NEEDED :

Medicare Outpatient Observation Notice

G. PROCEDURE :

1. The Case Manager screens observation patients using the appropriate Milliman or Interqual[®] guidelines for status or medical necessity.
2. If the patient meets Observation criteria, the Case Manager or Social Worker will:
 - a. Assure that the orders are in as Observation.
 - b. Assure that the MOON notice is delivered within 36 hours of Observation orders being written.

- c. Provide in person oral explanation of purpose of the MOON notice and why the patient is in as observation.
 - d. Provide time for the patient or representative to ask questions to ensure they understand the purpose of the MOON. Document that " education was provided and they verbally knowledge understanding of the MOON notice".
 - e. Ensure that patient or representative sign and date the form correctly. Ask patient or representative to correct information if necessary.
 - f. Note if and when patient or representative decline to sign, but add that education was provided.
 - g. If face to face notification cannot be performed, the content of the MOON must be read entirely to the receiver (patient or representative) and this must be documented. The form must include the notation that oral education of MOON was provided, the name of receiving person, date and time.
 - h. Case manager or Social Worker must document that they reviewed the MOON in full and the patient or representative verbalized understanding and must date and time the document.
 - i. If unable to contact a patient or representative, Case manager or Social Worker must document the date and time when attempt(s) have been made.
 - j. Case manager or Social Worker must leave a copy of the MOON for the patient representative; the original is to be placed in the patients chart to be scanned by HIM as part of the permanent record.
3. If the Case Manager finds the patient does not meet appropriate Milliman or Interqual® guidelines for status or medical necessity, the attending physician is contacted for additional information.
 4. If there is still insufficient information to justify the status, the Case Manager presents the information to the Physician Advisor for review and action.
 5. The patient record will be reviewed daily to determine if the patient continues to meet Observation status. The decision to discharge the patient or to admit the patient as an inpatient should usually be made within 24-48 hours after admission to observation services.
 6. Patients that are no longer meeting observation criteria, whom the physician is not planning on discharging the patient, will be referred to the Physician Advisor for secondary review.
 7. If the patient is not meeting Observation criteria per PA secondary review, the patient will be given an (Advance Beneficiary Notice) ABN.
 8. Patients who have been given a notice of non-coverage of any type will be reviewed daily to assure that they do not subsequently meet criteria for IP or OBS.
 9. If the patient is no longer meeting Observation status, discharge will be initiated and Observation Hourly billing will cease.
 10. Patients in O-Extended Recovery who are not meeting observation or inpatient criteria and need to remain an additional overnight in a bed will be sent to PA for secondary review, if discharge is not scheduled.

H. ATTACHMENTS :

None

I. REFERENCES :

CMS.gov: <https://www.cms.gov/Medicare/Medicare-General-Information/BNI/MOON>

J. SEARCH WORDS :

Observation notice, MOON, Advance Beneficiary Notice, ABN, CMS

K. ENFORCEMENT:

Violations of this policy or associated procedures may result in appropriate disciplinary measures in accordance with University By-Laws, General Rules of Conduct for All University Employees, applicable collective bargaining agreements, the University of Connecticut Student Code, other applicable University Policies, or as outlined in any procedures document related to this policy.

L. STAKEHOLDER APPROVALS :

On File

M. COMMITTEE APPROVALS :

None

N. FINAL APPROVAL :

- | | |
|--|---------------------------|
| 1. <u>Andrew Agwunobi (Signed)</u>
Andrew Agwunobi, MD, MBA
UConn Health Chief Executive Officer | <u>04/16/2021</u>
Date |
| 2. <u>Anne Horbatuck (Signed)</u>
Anne D. Horbatuck, RN, BSN, MBA
Clinical Policy Committee Co-Chair | <u>04/16/2021</u>
Date |
| 3. <u>Scott Allen (Signed)</u>
Scott Allen, MD
Clinical Policy Committee Co-Chair | <u>04/15/2021</u>
Date |
| 4. <u>Caryl Ryan (Signed)</u>
Caryl Ryan, MS, BSN, RN
VP Quality and Patient Service & Chief Nursing Officer | <u>04/13/2021</u>
Date |

O. REVISION HISTORY :

Date Issued: 01/01/2012

Date Reviewed 2/17, 6/18

Date Revised: 03/21