

Report on Medicare Compliance Volume 28, Number 32. September 16, 2019 CMS: 'Blanket Distribution of Notices' Can Confuse Beneficiaries

By Nina Youngstrom

Conversations about why they are outpatients, not inpatients—a mostly artificial distinction for payment purposes—sometimes means taking patients down the rabbit hole, and utilization reviewers and case managers don't relish them.

“It's very difficult explaining the difference between observation and inpatient to a patient,” says Kim Romoser, manager of utilization review and appeals at WellSpan Health in York, Pennsylvania. “Regardless of how it is worded, they do not understand. No one has ever said, ‘Oh, I get that. It makes perfect sense.’ I do my best to try to explain in laymen's terms.” Patients protest. They are in a hospital bed, so how is it possible they aren't inpatients? “They question and question, and it is just at the point where they say, ‘OK, if a physician said so, I guess that is OK,’ and there's resignation: ‘Well, I don't like it. If that's the rules, then I don't have any type of recourse.’”

But the conversation is required by law when hospitals give patients the Medicare Outpatient Observation Notice (MOON), which explains they are outpatients receiving observation services, not inpatients. Hospitals are required to deliver the MOON to patients who receive 24 hours or more of observation services and to notify them within 36 hours after physicians have written the observation order.

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