

PROVIDER Bulletin



January 1, 2026

This Provider Bulletin applies to the lines of business and provider types checked below:

- PHP (Medicare) Primary Care Physicians Specialists
 PHC (Medicaid) Hospitals Ancillary AHF Grants
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CMS Medicare Outpatient Observation Notice (MOON) – Updated 2026 Guidance

Purpose of this Bulletin

This bulletin provides updated information on the Medicare Outpatient Observation Notice (MOON), including CMS changes effective in February 20, 2026.

Overview of the MOON

The MOON is a federally required written notice hospitals and CAHs must provide to Medicare beneficiaries receiving outpatient observation services for more than 24 hours.

This means your hospital stay will be billed to Medicare Part B instead of Part A.

When a member is at a hospital as an outpatient the observation stay is covered under Medicare Part B. This means member will have a copayment/coinsurance for each outpatient hospital service you get.

Part B copayments/coinsurance may be lower or higher than the Part A inpatient deductible. The hospital can provide more information about billing.

2026 CMS Update – Newly Reauthorized MOON Form

CMS reauthorized the MOON (CMS-10611) (**Enclosed**) on February 20, 2026. Providers may continue using the expired version until April 20, 2026.

This Provider Bulletin is not intended to replace or conflict with any requirements outlined in your signed Agreement with AHF, PHC California or PHP. If you have any questions contact the Provider Relations Department at CAPR@aidhealth.org.

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MOON Delivery Requirements

Hospitals must deliver the MOON no later than 36 hours after observation services begin or sooner if the patient is discharged.

Required Content of the MOON

The MOON must outline outpatient status, reason for observation, cost-sharing implications, and SNF eligibility impacts.

Compliance Considerations

Common audit findings include delayed or inconsistent delivery. Using the old form after April 20, 2026 may result in compliance violations.

Operational Recommendations

Validate workflows, train staff, and align UR, case management, and registration teams.

Accessing MOON Resources

CMS provides updated forms in English, Spanish, large print, and MOON FAQs.

Questions?

For more information about your Medicare coverage, call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.

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