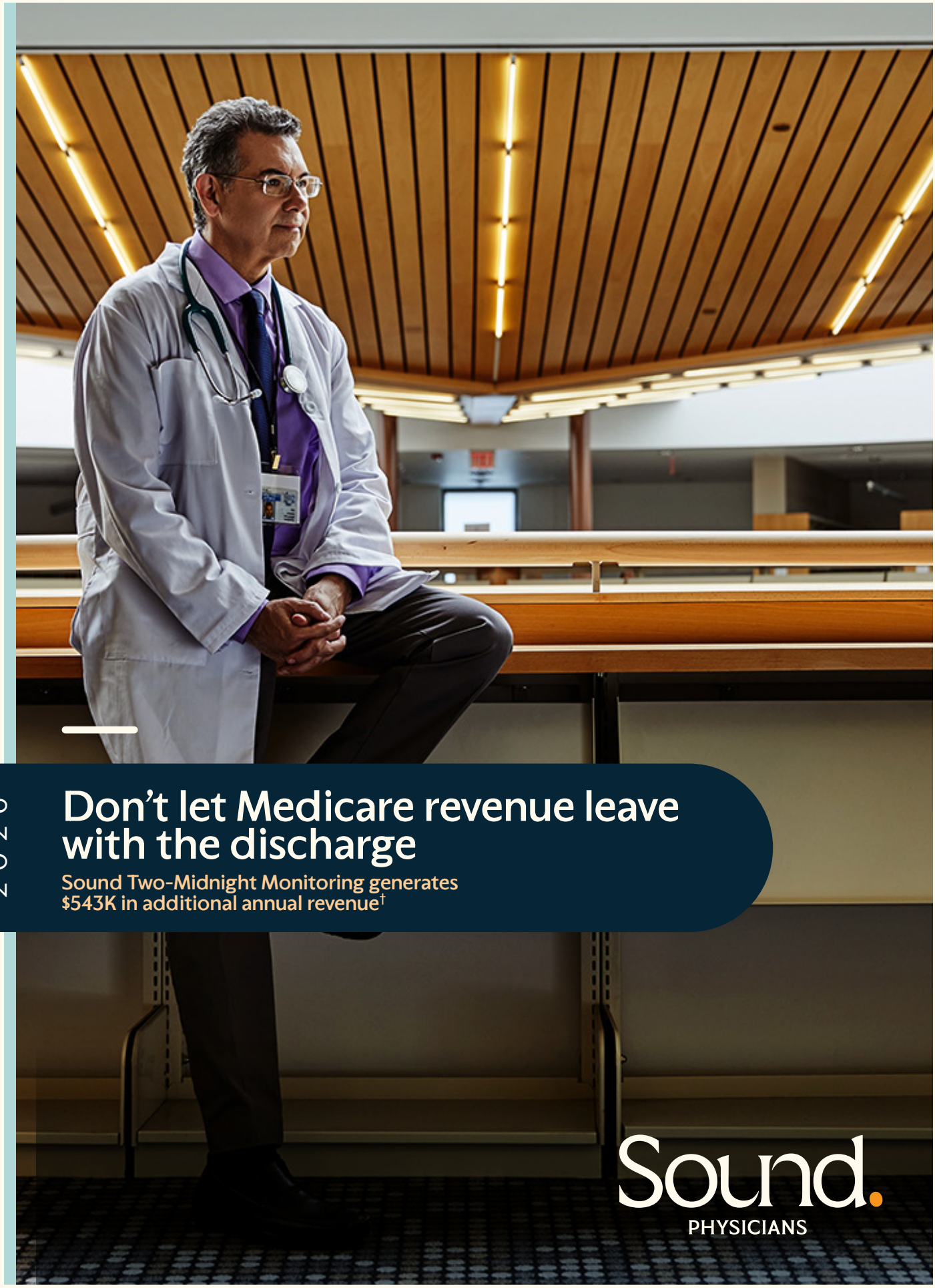

2026

Don’t let Medicare revenue leave with the discharge

Sound Two-Midnight Monitoring generates $543K in additional annual revenue†

Sound.
PHYSICIANS

EXECUTIVE SUMMARY

We take a more deliberate approach.

When Medicare observation cases that are appropriate for inpatient status are not converted before discharge, hospitals may miss reimbursement and, in many cases, discharge planning can become more difficult.

Instead of relying on manual chart checks and last-minute corrections, we build Sound Two-Midnight Monitoring into our Hospital Medicine model, so appropriate cases are identified, reviewed, and acted on before discharge.

This integrated and compliant program brings together hospitalists, physician advisors, technology-enabled case selection, and real-time chart review to identify Medicare observation cases that may be appropriate for inpatient status before discharge.

The result is more accurate status decisions, more earned revenue captured, greater support for case management and finance, and more clarity for patients and families.

The program also takes payer calls and appeal work off the hospital's plate when needed.

Partner hospitals captured an average of $543K per hospital per year across Traditional Medicare and Medicare Advantage.†

$543K
Average additional annual Medicare revenue per hospital in 2025

121 hospitals
Implemented since launch, with an average hospital size of 222 beds for Traditional Medicare and 218 beds for Medicare Advantage

10.8% relative reduction
In the average hospital observation rate after program implementation

95%
Of inpatient recommendations for Medicare Advantage ultimately adjudicated as inpatient after peer-to-peer review and appeals handled by Sound†

Dave Gonzales, MD
Regional President South Region, Sound Physicians

Built into the stay. Felt before discharge.

"What makes Sound Two-Midnight Monitoring so meaningful is that it's built into the way we work alongside our partners. It brings hospitalists and physician advisors together around the same patient at the right time, helping hospitals avoid missed reimbursement while creating a clearer, less stressful experience for teams and patients alike."

†Based on Sound internal data: $244,862 per hospital per year for Traditional Medicare; $298,239 per hospital per year for Medicare Advantage. Past performance not a guarantee of future results.

What makes Sound Two-Midnight Monitoring unique

Sound Two-Midnight Monitoring is an integrated Sound Hospital Medicine solution designed to identify Medicare patients placed in outpatient observation who may be appropriate for inpatient status before they leave the hospital.

Sound Two-Midnight Monitoring is generally not a separate add-on service. It's built into our Hospital Medicine program from the start.

Our hospitalists admit patients the way they normally would. After one midnight:

- Technology-enabled automatic case selection flags Medicare observation cases for review
- Our advisory nurses review those flagged cases to determine whether physician advisor review is needed
- If a case meets the screen, a remote Sound physician advisor reviews the chart in real time and reaches out directly to the hospitalist if inpatient status is appropriate
- The team then follows through to help ensure the appropriate inpatient admission order is entered while the patient is still in the hospital

No other hospital medicine group offers this same integrated two-midnight monitoring model as part of its hospital medicine offering.†

Right level of care. Even after hours.

"Sound's Physician Advisor service became a key partner in strengthening our already high-performing utilization management program at MercyOne North Iowa Medical Center. By reviewing cases exclusively on nights, weekends, and holidays, they helped ensure patients were consistently placed in the right level of care and supported meaningful improvements in our observation performance."

Chi Martin, MBA
Director, Acute Population Care Management, MercyOne North Iowa Medical Center

†Based on Sound internal data: $244,862 per hospital per year for Traditional Medicare; $298,239 per hospital per year for Medicare Advantage. Past performance not a guarantee of future results.

Why this matters to hospital leaders

Correct status at the time of discharge is required to capture payment

- Sound Two-Midnight Monitoring can help hospitals **correct status sooner**, before reimbursement is lost.

Fewer late chart fixes and fewer back-end appeals

- When patient status is clarified earlier, teams **avoid late chart fixes** and back-end appeals.

Fewer discharge surprises from late status changes

- Earlier status clarity can help teams **plan discharge sooner** and avoid last-minute problems with next-step placement.

Real-time physician advisor backup for hospitalists

- Hospitalists **get direct backup from experienced physician advisors** while the case is still active, so they spend less time untangling status issues later and can focus on patient care.

Fewer patient surprises about status and coverage

- Earlier status decisions help patients **better understand coverage, cost, and next steps** before discharge.

How the right status decision helps patients, too

Most patients don't think in terms of outpatient observation and assume they are inpatients if they stay overnight in a hospital. They think about whether they're getting the care they need, what happens next, and whether the bill will make sense.

That is why earlier status decisions matter to patients, not just hospital operations. When the right status decision happens sooner, patients can have:

- **Less confusion** about what their hospital stay means for coverage and billing
- **More clarity** on what comes next after discharge
- **Fewer post-acute delays** caused by late status decisions

The right status decision affects more than billing. It can spare patients confusion, coverage problems, and downstream consequences.

Help capture a $543K Medicare status opportunity

Sound Two-Midnight Monitoring helps hospitals correct status sooner and avoid the rework that follows late decisions.

By combining hospitalists and physician advisors in one model, we help hospitals act before discharge, before revenue is lost and before rework begins.

The result is fewer late chart fixes, fewer missed Medicare dollars, and fewer unanswered questions before discharge.

Matt Cantrell, MD
System Medical Director, Saint Joseph Hospital

Get the status right. Keep care moving.

"Sound Two-Midnight Monitoring gives our hospitalists support at the moment they need it most. Instead of finding out after discharge that a patient's status should have been changed, we can step in sooner, help get it right, and keep care moving. That takes pressure off clinicians and helps them stay focused on the patient in front of them."

The clinical leaders behind stronger Hospital Medicine

Mihir Patel, MD, MBA, CPE
CEO, Hospital Medicine

Melissa Buchner-Mehling
Associate CMO, Advisory Services, Advisory Services G&A

Rob Zipper, MD, MMM, SFHM
Chief Medical Officer
Physician Advisory and Health Policy

When every midnight counts, timing matters.

And when the stakes are this high, hospitals need more than advice. They need a model that works while the patient is still in the hospital.