



Medicare Change of Status Notice Instructions (Expedited Determinations When a Patient is Reclassified from an Inpatient to an Outpatient Receiving Observation Services)

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Effective Date: November 15, 2024	Related Change Request (CR) Number: CR 13846
Implementation Date: February 14, 2025	Related CR Transmittal Number: R12934CP
Related CR Title: Medicare Change of Status Notice (MCSN) Manual Instructions	

Affected Providers

- Hospitals (including critical access hospitals)
- Other providers billing Medicare Administrative Contractors (MACs) for inpatient services they provide to Medicare patients

Action Needed

Make sure your staff knows about:

- Appeal rights for eligible Medicare patients reclassified from an inpatient to outpatient receiving observation services
- Medicare Change of Status Notice (MCSN) delivery requirements
- Adding Section 450 to the [Medicare Claims Processing Manual, Chapter 30](#)

Background

When a hospital reclassifies eligible Medicare patients from an inpatient to an outpatient receiving observation services, they have a right to appeal their status change to a Beneficiary and Family Centered Care-Quality Improvement Organization (BFCC-QIO).

To be eligible for the expedited determination process, the reclassification must happen while the patient is still in the hospital and 1 of the following applies:

- The patient has Medicare Part B and their hospital stay was at least 3 days
- The patient doesn't have Part B

Use the MCSN to notify the patient of their expedited appeal rights. You must deliver the MCSN to all eligible patients as soon as possible, but no later than 4 hours prior to discharge. Eligible patients with Part B must reach their 3rd day in the hospital before receiving the MCSN.

The hospital must also:

- Attempt that the patient (or their representative) signs the notice to indicate they received it and understand its contents
- Use assistive devices for delivery, signature, and any related communication as needed
- Issue the notice electronically or on paper, depending on what the patient prefers, and provide a paper copy of the signed MCSN to the patient

Section 450 of the [Medicare Claims Processing Manual, Chapter 30](#) has additional information on:

- MCSN delivery requirements
- The expedited determination process
- BFCC-QIO and hospital responsibilities

This expedited determination process was implemented through the regulation titled Medicare Appeals Rights for Certain Changes in Patient Status Final Rule ([CMS-4204-F](#)), effective November 15, 2024. The related regulations are available at [42 CFR 405.1210--405.1212](#).

The implementation date for the MCSN and new appeals process is February 14, 2025.

More Information

We issued CR 13846 to your MAC as the official instruction for this change. For more information, find your [MAC's website](#).

See the [MCSN Beneficiary Notices Initiative](#) page to locate the notice, notice instructions, and notice translations as well as general information on the notice and appeals process.

Document History

Date of Change	Description
November 22, 2024	Initial article released.

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