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“Appeals Court Ruling Favors Medicare Patients

A federal appeals court has ruled that Medicare patients are entitled to an appeal process at the Centers for Medicare and Medicaid Services (CMS) when their hospital stay classifications are changed from “inpatient” to “observation” status.

You may recall the NRLN has issued Action Alerts on this issue that have resulted in retirees not being aware they were misclassified as “under observation” by hospitals. After release, if they spent weeks in rehab centers, they received bills for tens of thousands of dollars.

This ruling could result in significant financial savings for Medicare Part A patients. If a senior needed skilled nursing care following a stay in a hospital, Medicare would not cover the cost unless he/she was in the hospital as an “inpatient” for at least three days (not including the date of discharge). There was not a process to appeal to Medicare a hospital’s classification of “outpatient.”

Under the court’s decision, Medicare beneficiaries whose status was changed from “inpatient” to “observation” can now appeal the hospital’s classification to Medicare. The Court of Appeals for the Second Circuit upheld the trial court decision that had found that Medicare’s lack of appeals procedures on this issue violates the Due Process Clause of the constitution.

To learn how to file an appeal with Medicare, [click here to read the booklet *Medicare Appeals*](#).”

Source: National Retiree Legislative Network (NRLN), February 22, 2022

For more information see the article on the “Elder Law Answers” website at [Court Rules Medicare Beneficiaries Can Appeal Switch to Hospital Observation Status \(elderlawanswers.com\)](#)

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