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STAFF NEWSLETTER

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Using the ABN to Ensure You Keep the Cash!

Customer Service Reps taking orders, Techs making a delivery, Store Personnel, and Billing staff all need to be familiar with Medicare's guidelines for use of the Advanced Beneficiary Notice (ABN). This form is used to tell a Medicare beneficiary, before he/she receives items or services that Medicare probably will not pay for that item or service on that particular occasion.

The ABN allows the beneficiary to make an informed consumer decision whether or not to receive the items or services for which he/she may have to pay out-of-pocket or through other insurance.

The ABN form must:

- Clearly identify the particular item or service. HCPCS codes by themselves are not acceptable as descriptions.
- Give specific reason(s) for your belief that Medicare is likely to deny payment for the item or service. *The statement may not be generic. It must cite at least one reason applicable to the product or service why you believe Medicare will not pay for it.*
- Provide the patient with an estimated cost of the services.

For assigned and non-assigned claims, your company must refund a patient if no ABN was obtained and then the claim denies.



Medicare's new ABN form **CMS-R-131** must be in use by November 1, 2011. As before, the form has a mandatory field for providing the customer with cost estimates of items / service and an option where an individual can choose to receive an item / service and pay for it out-of-pocket rather than submit to Medicare. For instance, as oxygen patients elect to purchase their own portable oxygen concentrator for convenience over and above the Medicare-reimbursed oxygen system already in their home; if a patient wants an upgrade to a battery-pack portable nebulizer; or more diabetic test strips, more urologic supplies than allowed; or anything with more bells and whistles than what Medicare deems necessary, you would explain to the customer that they must pay additional money for the upgrade / additional supplies, and the reason Medicare does not pay for the upgrade / additional supplies they desire. You must inform them the dollar amount this upgrade or additional product will cost. If the amount is different from the final actual cost, it does not invalidate the ABN.

When to Obtain an ABN

- Medical Necessity Denials
- Upgraded Items
- Same/Similar equipment
- Invalid or No NSC number
- Frequency limited items and services
- You need the denial to bill secondary insurance

ABNs are not required for care that is never covered or fails to meet a technical benefit requirement (i.e. lacks required certification). The customer should be hand delivered the ABN as a two part form, one for them to keep and one customer signed copy for your records. You have one year after obtaining the signed ABN to furnish the items or service. It is against the rule to routinely use an ABN for all beneficiaries.