

Dermatology Coding Alert

ABNs: Ensure Proper Payment With ABNs For Potentially Uncovered Services

ABN protocols can have residual effects on patient relations.

As difficult as it might be to obtain advance beneficiary notices (ABNs) from patients when appropriate, experts recommend that you jump on the ABN bandwagon, because it's only getting more crowded.

Medicare isn't the only payer requiring ABNs these days, so knowing when and how to obtain patient-payment responsibility agreements is critical to your practice's bottom line.

Get in line with all of your payers by getting in the habit of issuing ABNs when necessary, so you don't end up giving your providers' services away for free.

Obtain an ABN When Medicare Might Not Pay

You should obtain a signed ABN for Medicare patients in the following situations, says **Steven M. Verno, CMBSI, CHCSI, CMSCS, CEMCS, CPM-MCS, CHM, SSDD**, a coding, billing, and practice management consultant in central Florida:

- You believe Medicare may not pay for an item or service;
- Medicare usually covers the item or service, but might not for some reason; or
- Medicare may not consider the item or service medically reasonable and necessary for this patient in this particular instance.

Example: The dermatologist performs a facial epidermal chemical peel. On the claim, you would report 15788 (Chemical peel, facial; epidermal).

If you suspect the patient may not meet medical necessity criteria for the chemical peel, you should get a signed ABN before performing the procedure. You'll also need to attach modifier GA (Waiver of liability statement issued as required by payer policy, individual case): "Use this modifier when you issue a mandatory ABN for a service as required, and it is on file," Verno explains. You don't need to submit the ABN on GA claims, but you should have it available upon request, he adds.

Money matters: In the above scenario, your practice could lose deserved cash if it doesn't have a signed ABN on file. The 15788 code pays about \$467.85 (13.02 nonfacility relative value units [RVUs] multiplied by the Medicare conversion rate of 35.9335). If Medicare denies the claim, and you don't have a signed ABN, you can't bill the patient and your practice is on the hook for the procedure cost.

Get ABN Regardless Of Medicare Statutes

Speaking strictly from a coding perspective, if Medicare explicitly excludes the service by statute it is not necessary to get an ABN, Verno confirms. Experts recommend getting an ABN in these situations, too. It will show patients that the practice respects them.

When the situation does not explicitly call for an ABN for Medicare compliance, Johnson says you should move forward with the ABN to present the costs to the patient. "Financial care of the patient goes hand-in-hand with their physical and emotional well-being," she explains. "Worrying about paying an unexpected bill can impact a patient in some pretty negative ways."

Patient perspective: If the patient knows what to expect in terms of financial responsibility, she can better comply with the physician's directives because she will know whether she can afford the service, says Johnson.

ABN Also Aids Patient Relations

In addition to the potential fiscal benefits of ABNs, the documents can actually help you build a more personal rapport with patients, Johnson says.

"[ABNs] build up the trust that the patient has with the provider; it shows a respect between the practice and the patient," she says. In her experience, Johnson says that most patients appreciate it when the practice takes the time to explain the situation, and why an ABN is necessary, so they can decide whether or not to proceed.

Benefit: "By giving the patient this kind of respect, it places the provider and the practice in a win-win situation. Patients are people, too," Johnson adds.

Strive To Get ABNs Signed By Patient

If at all possible, Medicare wants providers to issue an ABN directly to the patient, Verno says. When this is not possible, Verno says you may issue an ABN through the following means:

- Direct telephone
- E-mail
- Traditional mail
- Secure fax machine.

If you can't document that the patient received the ABN in person, Verno advises that you note it in the patient's record.

For Medicare to consider an ABN issuance compliant, the beneficiary should acknowledge that you contacted her about the potential costs. Further, you must follow telephone contacts from the patient immediately by either a hand-delivered, mailed, e-mailed, or faxed ABN, Verno says.

Then, the beneficiary must send a signed ABN back to your practice.

Cover your bases: In case the patient does not sign and return the ABN before the procedure, Verno recommends you "keep a copy of the unsigned ABN on file. If the beneficiary fails to return a signed copy, document the initial contact and subsequent attempts to obtain a signature in appropriate records or on the ABN," he explains