

Dermatology Coding Alert

Reader Question: Bring In ABN Benefits

Question: Should I bill Medicare for services that I know they'll deny based on coverage rules for medical necessity?

Texas Subscriber

Answer: If you expect Medicare to deny a claim based on lack of medical necessity under coverage rules, you should inform the patient and have him sign an advance beneficiary notice (ABN). When you bill Medicare, you should append modifier GA (Waiver of liability statement issued as required by payer policy, individual case) to the procedure code.

Using this modifier indicates to Medicare that you anticipate a denial and plan to bill the patient for the service once you receive the claim denial. Your billing department should have a procedure in place to watch for the denial and bill the patient, rather than writing off the cost.

Tip: Writing the exact services and exact charges on the ABN is extremely important, as is having the patient sign the ABN prior to the services being provided. That clears the way for you to bill the patient for the service.

Instructions: According to CMS, "You should only provide ABNs to beneficiaries enrolled in Original (Fee-For-Service) Medicare. ABNs allow beneficiaries to make informed decisions about whether to get services and accept financial responsibility for those services if Medicare does not pay. The ABN serves as proof the beneficiary knew prior to getting the service that Medicare might not pay. If you do not issue a valid ABN to the beneficiary when Medicare requires it, you cannot bill the beneficiary for the service and you may be financially liable if Medicare doesn't pay."

Optional ABN: CMS further states that, "you may also use the ABN as an optional (voluntary) notice to alert beneficiaries of their financial liability prior to providing care that Medicare never covers. ABN issuance is not required to bill a beneficiary for an item or service that is not a Medicare benefit and never covered," CMS continues.

Take note: Many non-Medicare payers also accept waivers of liability that allow you to bill the patient for a non-covered service. Check with your payer.