

Dermatology Coding Alert

Reader Question: Don't Get Too Comfortable With Blanket ABNs

Question: I recently started working at a practice that I think overuses ABNs. Can we ask too many patients to sign ABNs?

Tennessee Subscriber

Answer: Absolutely, and you're right to be concerned. If you are dealing with a Medicaid patient, you should use an advance beneficiary notice (ABN), a written notice a provider gives a Medicare beneficiary, only before furnishing items or services you believe Medicaid will not pay for on the basis of medical reasonableness or medical necessity.

Commercial payers do not always require you to use an ABN to allow the provider to collect from the patient for non-covered or non-medically necessary services, but you should check each of your contracts to be sure which rules your commercial insurers apply.

Medicaid doesn't allow "blanket" use of ABNs (giving an ABN to every Medicaid patient), but you can give an ABN to every patient who is having a frequency-limited service, such as those allowed once a year. CMS permits this because your practice has no way of knowing for sure when the patient had her last exam.

Have the patient sign the ABN, then give her a copy, and keep the original in your files. This way you know and can prove you put the patient on notice that Medicaid coverage is unlikely. With this information, the patient is then in a better position as a healthcare consumer to make an informed decision regarding which services she may have to pay for out of pocket or through other insurance.

Don't miss: When issuing an ABN, you must advise the patient's parent that she will be personally and fully responsible for payment of all items and services specified on the ABN if Medicaid denies the claim.

Be aware that Medicaid considers an ABN improperly issued under the following circumstances:

- When the provider refuses to answer inquiries from a patient or the patient's authorized representative.
- When a practice uses an ABN to shift liability to the beneficiary for items/services when other payments are considered to include full payment for those items/services.