

Dermatology Coding Alert

READER QUESTION: Give Payers an ABN Heads-Up

Question: When our physicians perform a surgery that we're fairly sure Medicare won't pay for, we have the patient sign an ABN. Is there a way to indicate this to the carrier when we submit the claim?

Nevada Subscriber

Answer: When you obtain an advance beneficiary notice (ABN) for a service a physician performs that you don't expect Medicare to pay for, report the service with modifier GA (Waiver of liability statement on file).

How it works: When Medicare sees modifier GA, it will send an explanation of benefits to the patient confirming that he is responsible for payment if Medicare denies for medical necessity. If you don't append the modifier, Medicare will not inform the patient of his responsibility and specifically tell the patient that the physician may not bill the patient.

Tip: When a physician performs procedures or services that Medicare never covers (such as plastic cosmetic surgery or hearing aids), you don't need to ask the patient to sign an ABN. In these cases, you should report the appropriate CPT code for the physician's services with modifier GY (Item or service statutorily excluded or does not meet the definition of any Medicare benefit) appended. Medicare will generate a denial notice for the claim, which the patient may use to seek payment from secondary insurance.

Don't overlook: If you believe that Medicare will reject your claim but you failed to have the patient sign an ABN, you should append modifier GZ (Item or service expected to be denied as not reasonable and necessary) to the CPT code describing the noncovered service the physician provided.