

Dermatology Coding Alert

Reader Questions: Help Patients Understand ABN Contents

Question: We have a patient who signed an advance beneficiary notice, and as we suspected, Medicare won't pay for the services. Now the patient is saying she didn't understand what the ABN meant and is refusing to pay. What should I do?

California Subscriber

Answer: The patient must pay. An ABN is a written notice a provider gives a Medicare beneficiary before furnishing items or services when the provider believes that Medicare will not pay on the basis of medical reasonableness or necessity.

Keep these additional factors in mind:

Making informed decisions: The patient has already been put on notice that Medicare coverage is unlikely. With this information, the patient is then in a better position as a healthcare consumer to make an informed decision about what services he may have to pay for out of pocket or through other insurance.

Improperly issued ABNs: When issuing an ABN, the provider must advise the Medicare beneficiary that he will be personally and fully responsible for payment of all items and services specified on the ABN if Medicare denies the claim. Be aware that an ABN is considered improperly issued under the following circumstances:

- When the provider refused to answer inquiries from a patient or his authorized representative.
- When an ABN was used to shift liability to the beneficiary for items/services when full payment for those items/services is bundled into other payments.

Failure to provide a proper ABN in situations in which one is required may result in the provider being found liable.

In most situations, though, you should simply remind the patient that he has signed the ABN and that it was explained at that time that he must pay if Medicare doesn't. Suggest that he contact Medicare if he has further questions.