

MDS Alert

Paperwork Preparedness: Brush Up on ABN Knowledge

Make sure you know what to do in these advanced beneficiary notice situations.

The Centers for Medicare & Medicaid Services (CMS) recently updated the advanced beneficiary notice (ABN) forms, so make sure your facility has the proper paperwork on hand.

Hint: The new forms address dual eligibility for beneficiaries and provide new guidance.

Background: CMS debuted an updated ABN that providers were required to use as of Aug. 31, 2020, but published a pandemic exception, "At this time, the renewed ABN will be mandatory for use on 1/1/2021," the agency said. "The renewed form may be implemented prior to the mandatory deadline." If you aren't sure whether you've got the newest one in your form files, check the bottom left of the document. It should say "Form CMS-R-131 (Exp. 06/30/2023)" if you're using the correct ABN.

Here's what's new: If you're wondering why a new ABN was necessary, it's because CMS now offers additional guidelines for dual eligible beneficiaries (those who are covered by both Medicare and Medicaid). These residents cannot be charged for Medicare cost-sharing when they are administered services under Part A or Part B.



"Dually eligible beneficiaries must be instructed to check Option Box 1 on the ABN in order for a claim to be submitted for Medicare adjudication," the new ABN guidelines state. "Strike through Option Box 1 as provided below:"

- **OPTION 1.** I want the (D) listed above. You may ask to be paid now, but I also want Medicare billed for an official decision on payment, which is sent to me on a Medicare Summary Notice (MSN). I understand that if Medicare doesn't pay, I am responsible for payment, but I can appeal to Medicare by following the directions on the MSN.

"Providers must refrain from billing the beneficiary pending adjudication by both Medicare and Medicaid in light of federal law affecting coverage and billing of dual eligible beneficiaries," CMS says in the new guidelines.

Know Why the Update Is Necessary

CMS has made these edits to solidify the fact that providers cannot bill dual eligible beneficiaries when the ABN is furnished.

"Providers must refrain from billing the beneficiary pending adjudication by both Medicare and Medicaid in light of federal law affecting coverage and billing of dual eligible beneficiaries," CMS says in the ABN instructions. "If Medicare denies a claim where an ABN was needed in order to transfer financial liability to the beneficiary, the claim may be crossed over to Medicaid or submitted by the provider for adjudication based on State Medicaid coverage and payment policy. Medicaid will issue a Remittance Advice based on this determination."



Remember These ABN Basics

As you gear up to use the new ABN, remember the best practices of how to use these forms. Never use "blanket" ABNs to cover yourself just in case a payer denies a service. Instead, you must be sure that there is a reasonable basis for noncoverage associated with the issuance of each ABN, CMS says in its publication, "Advance Beneficiary Notice of Noncoverage."

Providers aren't required to have a signed ABN on hand for services that are never covered by Medicare. However, for those services that are normally a covered benefit but may not be covered due to medical necessity, frequency, etc., a signed ABN is required to obtain reimbursement from the beneficiary.

You must issue the ABN when:

- You believe Medicare may not pay for an item or service;
- Medicare usually covers the item or service; or
- Medicare may not consider the item or service medically reasonable and necessary for this resident in this particular instance.

Although not required, some experts do also recommend getting an ABN even when you know Medicare statutorily doesn't cover a particular service because it engenders good will. This way, you notify the resident upfront that they will be responsible for a charge and how much they'll expect to pay, ensuring that everyone is on the same page financially.

"ABNs used for non-covered services provide the documented proof that the patient made an informed choice to proceed with the service," says **Carol Pohlig BSN, RN, CPC, ACS**, senior coding and education specialist at the Hospital of the University of Pennsylvania.

You are also required to provide the beneficiary with a copy of the ABN and the office should keep the original ABN on file. Be sure the language contained in the ABN is easily understood by the beneficiary (don't use CPT® codes and diagnosis codes - instead, use a verbal description) and in terms the beneficiary recognizes. Be sure to estimate the cost of the services that will be rendered as well. The beneficiary must select an option and sign the ABN. In the case where the beneficiary refuses to choose an option, the form must be annotated with this information. Often, these forms are incorrectly completed and are deemed invalid by Medicare.

Resource: To access the new ABN form and the latest instructions, visit www.cms.gov/Medicare/Medicare-General-Information/BN/ABN.