

## Health Information Compliance Alert

### ABN Advice: Incorporate New ABN To Collect For Non-Covered Services Going Forward

**There may be no substantial changes to the form, but you still need to make the switch.**

Now that Nov. 1 has come and gone, you should be using the new advanced beneficiary notice (ABN). If you're behind the deadline you won't be able to bill patients for services that Medicare doesn't cover. Ensure you're up to speed on the changes with this rundown.

#### **You Should Have Started Using CMS-R-131 as of Nov. 1**

Even though the latest version of the ABN form, CMS-R-131, was released on March 20, 2011, mandatory use of the new version began on Nov. 1, 2011.

You can view the new form at [www.cms.gov/BN](http://www.cms.gov/BN) by clicking the FFS Revised ABN link, said CMS's **Donna Williamson** during a CMS Open Door Forum over the summer. Although the form doesn't include any substantial changes, you still need to adopt the new version.

Here's why: During the Open Door Forum, CMS's **Stewart Streimer** replied that the current ABN form had an expiration date on it, and forms are customarily updated every three years based on provider comments.

#### **Know These Key ABN Facts**

While you're taking a closer look at the ABN, keep these essential truths about the form in mind so you don't run afoul of CMS's coding rules.

Background: ABNs let the patient know that Medicare may not cover a service, and that the patient will be responsible for payment if the claim is denied. Consequently, ABNs help patients decide whether they want to proceed with a service even though they might have to pay for it. A signed ABN ensures that the physician will receive payment directly from the patient if Medicare refuses to pay. Without a valid ABN, you cannot hold a Medicare patient responsible for the denied charges.

For example: Medicare allows for only a finite number of certain services per patient per time period, such as cardiovascular screenings every five years. In some cases, you may not know whether a patient had a screening within the last five years, and if you perform one anyway, you could risk non-payment for that service.

That's where the ABN comes into play.

Avoid "routine" ABNs: Some practices give patients ABNs for the majority of their services, to cover them just in case Medicare denies the service, but that constitutes an inappropriate use of the form.

"Providers and suppliers 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 (ABN), available at [www.cms.gov/MLNProducts/downloads/ABN\\_Booklet\\_ICN006266.pdf](http://www.cms.gov/MLNProducts/downloads/ABN_Booklet_ICN006266.pdf).

Know when forms are considered "voluntary": In situations where you perform a service that Medicare statutorily excludes or never covers, you aren't required to issue an ABN to the patient, but you can do so.

Deliver the ABN properly: CMS defines an "effective" ABN delivery when you give the ABN to the beneficiary or his representative, and you meet the following criteria:

- The ABN is delivered (preferably in person) and comprehended by a suitable recipient.
- If you don't deliver it in person and use an alternate method (such as fax, email, or mail), you must document the contact in the patient's records, and the patient must subsequently send a copy of the signed notice back to you.» »
- The approved, standardized ABN is completed.
- You offer the ABN far enough in advance of potentially non-covered services to give the patient time to consider all available options.
- You explain the ABN in its entirety and answer all related questions.
- The patient (or his representative) signs and dates the ABN and checks one of the option boxes.

Know how to complete the "estimated cost" field: One of the most puzzling aspects of an ABN is how to determine the estimated cost of a service. Although many practices struggle with this, CMS does offer some guidance.

You may not be able to predict the exact amount that the service will cost, but you must make a "good faith effort to insert a reasonable estimate," which should be within \$100 or 25 percent of the actual costs, whichever is greater.

For example, CMS notes, if you expect the estimated cost for a service to be about \$250, you can enter "Between \$150 - \$300" or "No more than \$500" on the form. In addition, CMS notes, multiple services or items that are routinely grouped "can be bundled into a single cost estimate."