

Medically Unnecessary? Use ABNs to Tell Patients in Advance

By Denise A. Merlino, CNMT, MBA, FSNMTS

The Centers for Medicare and Medicaid Services (CMS) expects health care providers to know the circumstances under which procedures that they provide are likely to be considered medically unnecessary by Medicare. The provider is responsible for knowing the Medicare policies for their state and for informing a patient in writing when Medicare is likely to deny payment for a planned procedure. Failing to inform a patient that a procedure is considered not medically necessary, and failing to bill the patient for such procedures, could cause a provider to be held liable under the provisions of Limitation of Liability laws (Title XVIII, section 1879).

The way to avoid problems is to issue an Advance Beneficiary Notice (ABN). An ABN informs a patient that a particular procedure, even though it was ordered by his physician, may not be considered medically necessary by Medicare, and that if payment is denied by Medicare, the patient will be responsible for paying for the procedure.

Or, as CMS states: “An ABN is a written notice you give to a Medicare beneficiary before Part B services are furnished when you believe that Medicare will not pay for some or all of the services on the basis that they are not reasonable and necessary. If you expect payment for the services to be denied by Medicare, advise the beneficiary before services are furnished that, in your opinion, the beneficiary will be personally and fully responsible for payment. To be personally and fully responsible for payment means that the beneficiary will be liable to make payment out-of-pocket, through other insurance coverage (e.g., employer group health plan coverage), through Medicaid, or other Federal or non-Federal payment source.”

A nuclear medicine service might require an ABN when the primary diagnosis (ICD-9) code does not qualify as “medically necessary and reasonable” for the patient’s specific condition. Or a procedure may have restrictions on how frequently a procedure may be repeated. To find information specific to your Medicare contractor and your state, check your local Medicare contractor’s web site for their local medical review policies (LMPRs) for nuclear medicine procedures, or go to www.lmpr.net.

Complete ABN instructions have been published on the CMS web site at <http://cms.hhs.gov/medicare/bni/AB02168.pdf>.

