Current Status: *Active*	**PolicyStat ID:** *5643680*

Origination:	*10/2015*
Last Approved:	*01/2018*
Last Revised:	*01/2018*
Next Review:	*01/2020*
Owner:	*Shelly Mahoney: Med Tech III*
Policy Area:	*PCS: Pathology - Compliance*
Committee Approval:	*Lab Medical Director 1/29/18*

Advanced Beneficiary Notice

ST. LUKE'S HOSPITAL & WELLCARE

PURPOSE:

The Advanced Beneficiary Notice (ABN) is a notice given to a Medicare beneficiary to convey that Medicare is not likely to provide coverage in a specific case. Medicare restricts coverage of lab services to those that it determines are necessary to diagnose or treat a patient. Medicare generally will not pay for screening tests. Medicare may not pay for some lab services if they are performed too frequently or if they are considered experimental. Medicare publishes "coverage decisions" for some lab services. Coverage decisions describe specific patient diagnoses (ICD-10 codes) that Medicare accepts to support the medical necessity for some lab services. These "medical necessity tests" will have payment denied by Medicare unless the treating physician/ practitioner supplies an acceptable patient diagnosis.

Notifiers include physicians, and other providers such as St. Lukes hospital Laboratory staff. The notifier must complete the ABN and present it to the beneficiary before providing the services that are subject to the notice. The ABN must be verbally reviewed with the beneficiary or his/her representative and any questions raised during the review must be answered before it is signed. The ABN gives the beneficiary 3 options regarding the services that are not likely to be covered by Medicare:

A. The beneficiary may choose to have the lab services and assume responsibility for payment if Medicare does not pay, and retain right to appeal.

B. The beneficiary may choose to have the lab services and assume responsibility for payment if Medicare does not pay, and waive right to appeal.

C. The beneficiary may choose to not have the lab services, and therefore not assume responsibility for payment, and waive right to appeal.

When "medical necessity tests" are not paid by Medicare, St. Luke's Hospital has the right to bill the patient if the beneficiary chooses to have the lab services and assumes responsibility for payment by choosing option 1 or 2 on the ABN. If St.Luke's Hospital Laboratory does not obtain an ABN for "medical necessity tests" that are not supported by patient diagnosis, it may not bill Medicare or the patient for those lab services. ABNs are obtained on outpatients only, and not in emergency situations.

SCOPE & RESPONSIBILITY:

This policy is used by pertinent employees of St. Luke's Hospital and WellCare, specified in this Scope & Responsibility.

Test ordering personnel will use the ABN when genuine doubt exists regarding the likelihood of Medicare payment for "medical necessity test", and when the physician has not obtained an ABN. The ABN will be obtained in accordance with Medicare requirements. The ABN will serve as documentation that the patient has been notified prior to specimen collection that Medicare may not pay for the lab services, and that the patient has chosen whether or not to accept responsibility for payment for the lab services.

PROCEDURE:

A. Check for Medical Necessity

1. For all Medicare and Medicare HMO patients, check the likelihood of Medicare payment for the lab services using the EMR.
    a. Compare the CPT codes for the tests ordered to the diagnosis (es) provided by the physician to see if the diagnosis "covers" the test.
2. Medical necessity tests are "red" on the SLH Laboratory requisition. A list of common medical necessity tests is available. Only the treating physician/practitioner can provide patient diagnoses. It would be fraudulent for anyone else to do so.
3. If a medical necessity test does not "pass", then it is likely that Medicare will not pay and an ABN must be obtained.
4. "Blanket" use of the ABN is prohibited. Likelihood of Medicare payment must be determined on a case-by-case basis.
5. A single ABN covering a standing order may be obtained if the ABN identifies all of the lab services that may not be covered. The standing order and ABN will be valid for one year or until the account number changes, whichever is first.
6. Action regarding frequency limited tests differs by region. In the Toledo area, ABN's are not obtained for frequency limited tests. However in some other regions, the following process is practiced if a test does not pass medical necessity because of frequency limitations. (If you are unsure what process applies in your area, ask your supervisor.)
    a. Ask the patient if he or she has had the test in the defined amount of time.
    b. If the patient replies that he/she has **not** had the test in the defined amount of time, proceed **without** obtaining an ABN for the test.
    c. If the patient replies that he/she **has** had the test or is not sure if he/she had the test, do continue with the procedure to **obtain** an ABN.

    Complete the ABN
7. Use the ABN generated by Cerner, or a manually completed form. A 2-ply form is available from document resources center.

8. The following elements must be completed on a valid ABN:
    a. Name, address and phone number of the notifier
    b. Patient name matching that given on the Medicare card
    c. Medical Record Number and Account Number (optional)
    d. Specific lab services believed to be non-covered
    e. Reason Medicare may not pay for each lab service
    f. Estimated cost for each lab service

B. Review the ABN with the patient.

1. Present the ABN to the patient.
2. Explain the purpose of the ABN: "This Advanced Beneficiary Notice is provided because of a Medicare requirement to notify you that the lab tests listed may not be paid by Medicare. The reason Medicare may not pay and the estimated fee for these lab tests is also listed. Please read this notice and ask us any questions you may have. Please choose only one of the three options on the ABN about whether you want to receive the laboratory tests listed. If you choose option 1 or 2, we will submit the bill to any other insurance that you have, but Medicare cannot require us to do so. Please sign and date the form and I will give you a copy."
3. The patient must choose only one of the three options and check the corresponding box.
4. Under no circumstances can the notifier decide for the beneficiary which box to select.
5. At the patient's request, the notifier may enter the beneficiary's selection if he/she is physically unable to do so. In such cases, the notifier must note and initial the notice accordingly.
6. If the patient cannot or will not make a choice, the notifier should note, initial and date the notice accordingly, for example: "beneficiary refused to choose an option".
7. If there are multiple lab services listed and the beneficiary wants to receive some, but not all, the notifier can accommodate this request by using more than one ABN, or by crossing out the lab services that the patient does not want.
8. If the patient chooses option 3 and declines lab services, ask him/her to inform the ordering physician that he/she chose not to receive them.
9. The beneficiary or his/her representative must sign and date the ABN.
10. A copy of the ABN must be given to the patient.

C. Order the lab services and collect the specimen

1. If the patient chooses option 3 and declines the lab services, perform only those tests that pass medical necessity or do not require medical necessity.
2. Order the declined tests in the Laboratory Information System (LIS), and then credit them and add the coded comment "NOABN" which reads "Testing not performed, Patient refused to sign ABN". This will serve to notify the physician of the patient's refusal.

D. Documentation Review

1. Information Management (IM) will review the patient's medical record and determine if there are valid diagnoses to support medical necessity tests.
    a. An "Important Request for Information" form is faxed to the ordering practitioner.

A. 1. a. A second request is faxed if there is no reply within 3 days.

    b. The documents are sent to IM if there is not reply to the second request.

2. For other business units, the IM departments initiate follow up with practitioners as needed.
3. Only when it is determined that no additional information can be provided to support medical necessity and a valid ABN is on file, will the patient be billed.

References:

Centers for Medicare and Medicaid Services (CMS) web site, Beneficiary Notices Initiative, cms.gov/BNI

Attachments:

No Attachments

Approval Signatures

Approver	Date
Cassandra Mulinix: Admin Assistant - Phy Services	11/2018
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