

Psychiatry Coding & Reimbursement Alert

Reader Question: Patient Not Honoring ABN? Here's How to Get Them to Pay

Question: We have a patient who came for a service we knew Medicare wasn't likely going to cover, and we had him sign an advance beneficiary notice. As we suspected, his Medicare carrier won't pay for the services because the service is only covered once every two years. Now the patient is saying he didn't understand what the ABN meant and is refusing to pay. What should I do?

Michigan Subscriber

Answer: Explain to the patient that he is obligated to pay, because he signed the advanced beneficiary notice (ABN). You can consider setting up a payment plan if the amount is more than the patient can comfortably pay at one time, but assuming you are following ABN requirements, the patient is responsible for the bill. Follow your practice's patient billing and collections policies to determine how you will proceed if the patient continues non-payment.

Definition: An ABN is a written notice a provider gives a Medicare beneficiary before furnishing items or services when the provider thinks that Medicare will not pay on the basis of medical reasonableness or medical necessity. Remember these additional factors:

You've already put the patient on notice that Medicare coverage is unlikely, why it is unlikely, and the estimated cost to the beneficiary.. With this information, the patient is then in a better position as a healthcare consumer to make an informed decision about which services he may have to pay for out of pocket or through other insurance.

Mistake: When issuing an ABN, you 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. According to Medicare's Web site, you should give this information to the patient before you take her back to the room.

An ABN is improperly issued under the following circumstances:

- When the provider refuses to answer inquiries from a patient or the patient's authorized representative.
- When you used an ABN to shift liability to the beneficiary for items/services when you should consider full payment for those items/services already bundled into other payments.
- When the beneficiary is in a medical emergency or under great duress(i.e., compelling or coercive circumstances).

Your failure to provide a proper ABN in situations when you need one you may result in your practice being found liable. In most situations, however, you should simply remind the patient that he has signed the ABN and that you explained at that time that he must pay if Medicare doesn't. Suggest that the patient contact Medicare if he has further questions.

For more details, check this link at:

http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/abn_booklet_icn006266.pdf