**Medical Necessity and Advanced Beneficiary Notice (ABN)**

**Purpose**

Medicare will only pay for tests that meet medical coverage criteria and are reasonable and necessary to treat or diagnose an individual patient. Medicare generally does not pay for routine screening tests. Medicare may deny payment for a test that the physician believes is appropriate, but which does not meet the medical coverage criteria (e.g. done for screening purposes) or where documentation in the entire patient record, including that maintained in the physicians records, does not support that the tests were reasonable and necessary for a given patient. If the patient’s diagnosis is not included in the medical review policy as a payable benefit, or there is a reason to believe that Medicare will not pay for a test (ordered too frequently, screening or research test), the patient should be informed. MercyOne Des Moines Laboratory provides Advanced Beneficiary Notice (ABN) forms for this purpose. Atlas generates an ABN electronically based on the information entered during the patient registration (for those facilities using Atlas).   
  
It is important to note that an individual who knowingly causes a false claim to be submitted may be subject to sanctions or remedies available under civil, criminal, and administrative law.

**Policy**

MercyOne Des Moines Laboratory will provide information regarding medical necessity and ABN forms to clients and providers. Clients will be billed if the necessary ABN did not accompany the patient sample.

**Procedure**

Utilize the following links to determine if a medical necessity/frequency is needed.

[https://www.cms.gov/medicare-coverage-database/indexes/lcd-list.aspx?Cntrctr=268&ContrVer=1&CntrctrSelected=268\*1&name=Wisconsin+Physicians+Service+Insurance+Corporation+(05901%2C+MAC+-+Part+A)&s=56&DocType=All&bc=AggAAAAAAAAAAA%3D%3D&#ResultsAnchor](https://www.cms.gov/medicare-coverage-database/indexes/lcd-list.aspx?Cntrctr=268&ContrVer=1&CntrctrSelected=268*1&name=Wisconsin+Physicians+Service+Insurance+Corporation+(05901%2C+MAC+-+Part+A)&s=56&DocType=All&bc=AggAAAAAAAAAAA%3D%3D&#ResultsAnchor)

<https://www.cms.gov/medicare-coverage-database/indexes/lab-ncd-index.aspx?bc=BAAAAAAAAAAA>

<https://www.cms.gov/Medicare/Prevention/PrevntionGenInfo/medicare-preventive-services/MPS-QuickReferenceChart-1.html>

If the patient’s diagnosis code(s) are not listed, the patient has the choice to continue testing and be billed for it should Medicare not pay for it. If the patient wants to proceed with testing, an Advance Beneficiary Notice (ABN) must be completed.

**ABN forms can be obtained by contacting MercyOne Des Moines Laboratory Customer Service or from the MercyOne Des Moines Laboratory website.** <http://www.mercyone.org/desmoineslab>

**Instructions for completing an ABN form:**

1. Enter the patient’s first and last name. Use the middle initial if it appears on the Medicare card.

2. Identify services that may be denied in the “Tests/Procedures/Services” box.

3. Indicate the reason Medicare may not pay for each item. Common reasons:

a. Medicare does not pay for this test for your condition.  
b. Medicare does not pay for this test as often as this (denied as too frequent).  
c. Medicare does not pay for experimental or research use tests.

4. Enter the estimated cost of each item. The ABN price is listed in the MercyOne Des Moines Laboratory Test Catalog on the MercyOne Des Moines Laboratory website.

5. Explain to the patient why they may be responsible for payment.

6. Ask the patient to read Options 1-3 and select an option, indicating the selection by placing a check mark in one of the option boxes.

7. If the patient cannot or will not make a selection, annotate, “patient refused to choose an option” and do not collect the tests indicated on the ABN form.

8. Ask the patient to sign and date the form.

9. Give the patient a copy (yellow) of the ABN form. Make a copy if the ABN form was printed off the website.

10. Send the original (white) to the laboratory with the test orders and specimens. This is retained with the laboratory order/insurance information.

11. Pink copy is for the facility. Make a copy if the ABN form was printed off the website.