

Advanced Beneficiary Notice of Noncoverage Use: Mandatory or Voluntary?

By Kristiina Huckabay and Kari Morgenstein

Understanding the correct use of the Advance Beneficiary Notice of Noncoverage (ABN) Form CMS-R-131 is important to ensure billing compliance for traditional Medicare (Part B). Audiologists may face challenges determining when Medicare covers a service and when an ABN is required. Federal law requires that providers, including audiologists, must notify a Medicare beneficiary in advance when a service that Medicare typically covers is likely to be denied and/or when the item or service is not considered by Medicare to be medically reasonable and necessary. The ABN meets this requirement. To better understand when an ABN should be used, let's take a closer look at how Medicare identifies covered services.

In the simplest terms, to be reimbursed by Medicare for covered audiology services, the audiologist must have the following:

1. Documented medical necessity *
2. A physician or a non-physician practitioner's order for the audiology evaluation

**Medically necessary hearing evaluations include, but are not limited, to the following: evaluation to determine the cause of hearing loss, tinnitus or balance disorders; changes in hearing, tinnitus or balance; diagnostic testing before and periodically after cochlear implantation; analysis and programming of cochlear or brainstem implants;*

audiologic re-evaluation following medical/surgical treatment; failure of hearing screening (Centers for Medicare and Medicaid Services).

If both conditions have not been satisfied, the audiologist will need to consider the specific scenario to determine if a mandatory ABN is required. Mandatory ABNs are required when the service performed is typically a covered service under Medicare, though in the particular case not all requirements for coverage have been obtained.

A voluntary ABN may be issued when services are excluded or do not meet Medicare coverage requirements (i.e., tests that do not have a referral, non-covered treatment such as cerumen management, tinnitus treatment, hearing aids, hearing evaluation for the purpose of a hearing aid, routine monitoring). In many cases, a mandatory ABN will not be required; however, each clinic/clinician may decide to provide a voluntary ABN in the interest of transparency.

The ABN should only be used with traditional Medicare (Part B). Medicare Advantage Plans (Part C) may have their own coverage guidelines and notice of noncoverage forms. CMS prohibits use of the ABN form for Medicare Advantage Plans (Centers for Medicare and Medicaid Services 2017, 2012).

After determining if ABN use is mandatory or voluntary, the audiologist will now be prepared to submit

the claim with the appropriate modifier using the CMS definitions below:

- **GA: Waiver of Liability Statement Issued as Required by Payer Policy, Individual Case.** This should be used when a mandatory ABN is obtained.
- **GY: Item or Service Statutorily Excluded, Does Not Meet the Definition of Any Medicare Benefit.** This may be used in combination with the GX modifier; allows for auto-denial from Medicare to bill the patient's secondary insurance if the secondary payor provides audiology coverage.
- **GX: Notice of Liability Issued, Voluntary Under Payer Policy.** This can be used when a voluntary ABN was obtained and may be used in combination with the GY modifier.
- **GZ: Item or Service Expected to Be Denied as Not Reasonable and Necessary.** This modifier can be used if a service was provided that did not meet medical necessity and the ABN was not provided. This should be a rare occurrence if the audiologist carefully reviews supporting documentation and conducts a thorough case history prior to providing a service.

In cases when a mandatory ABN is issued for procedures that are typically covered, but there is a question

of medical necessity, a claim must be submitted to Medicare. The GA modifier is reported for each procedure in question.

Claims that are excluded or never covered by Medicare do not require an ABN. The claim does not need to be submitted to Medicare. In a case where the patient wants the claim submitted, and you have issued a voluntary ABN, the GY and GX modifiers must be used. CMS indicates that the voluntary ABN “serves as a courtesy to the beneficiary in forewarning him/her of impending financial obligation. When an ABN is used as a voluntary notice, the beneficiary should not be asked to choose an option box or sign the notice” (Centers for Medicare and Medicaid Services, 2012).

While the general guidelines are straightforward, once faced with nuanced chart notes and face-to-face discussion during a case history, audiologists may find themselves in the gray zone of ABN use. The following examples are meant to provide guidance for various scenarios which may arise before or during the clinical encounter.

1. An ABN should be utilized for
 - a. Medicare Part B
 - b. Medicare Advantage plans (Part C)
 - c. Medicare Part D
 - d. Both 1 and 2

ANSWER: a. Medicare Part B

2. A patient is scheduled for a non-covered service and you provide a voluntary ABN. The patient chooses Box 1 (to bill Medicare). The appropriate modifier(s) in this scenario is
 - a. GA

- b. GY
- c. GX
- d. GY and GX

ANSWER: d. GY and GX

3. Examples of scenarios where a mandatory ABN should be issued and GA modifier utilized include
 - a. Frequency of testing is more than typical
 - b. Patient had a recent hearing test at an ENT clinic then seeks a second opinion and second ENT refers for an audiogram
 - c. Physician referral exists, but medical necessity is not clear
 - d. All of the above
 - e. None of the above

ANSWER: d. All of the above

4. Patient has self-referred for a sudden hearing loss and has a secondary insurance that may cover the testing.
 - a. Call physician for referral
 - b. Provide a voluntary ABN and utilize the GX modifier
 - c. Utilize the GY modifier to submit the claim to Medicare for denial. Utilize both the GY and GX modifiers if a voluntary ABN is issued
 - d. Bill Medicare because medical necessity is met

ANSWER: c. Utilize the GY modifier to submit the claim to Medicare for denial. Utilize both the GY and GX modifiers if a voluntary ABN is issued.

5. A patient presents for a hearing test one year after his/her initial test. The patient brings a physician referral and indicates that he/she is not aware of a change in hearing, but wants to be sure it hasn't changed.
 - a. Explain that this test would be considered routine and not covered; issue a voluntary ABN and use GY and GX modifier if the patient wants the claim submitted to Medicare
 - b. Bill Medicare because a physician order was received
 - c. Sign a mandatory ABN and submit with GA modifier
 - d. None of the above

ANSWER: a. Explain that this test would be considered routine and not covered; issue a voluntary ABN and use GY and GX modifier if the patient wants the claim submitted to Medicare.

6. A patient calls your clinic for a hearing evaluation and they are self-referred. Your office staff should:
 - a. Inform the patient to call their physician for a referral per Medicare guidelines
 - b. Inform the patient of the estimated cost for the evaluation due to self-referral status
 - c. Ask for the patient's PCP and call the PCP to obtain a referral
 - d. Schedule the visit and let the audiologist figure it out during the visit

ANSWER: b. Inform the patient of the estimated cost for the evaluation due to self-referral status

The American Academy of Audiology (the Academy) also has a detailed ABN decision matrix that may assist you in your decision-making (see FIGURE 1). This document can also be accessed by visiting the Academy’s website and searching “ABN decision matrix” (Burton, 2012).

To learn more about ABN use, attend the learning module at AAA Nashville, “All Things ABN-Medicare’s Advance Notice of Noncoverage for Audiologists” presented by Annette Burton, AuD. There are also many Medicare resources available to audiologists on the Academy website within the Practice Management section. Particularly relevant is a collaborative document from the American Academy of Audiology, Academy of Doctors of Audiology, and American Speech-Language-Hearing Association regarding “Medicare Frequently Asked Questions.” Members can access this page by searching keyword “Medicare” on the Academy’s home page (www.audiology.org). For additional information on use of the ABN, search keyword “ABN” on the Academy’s website.

The Academy would also encourage all audiologists to review the Medicare Benefit Policy Manual, Chapter 15, Section 80.3, Audiology Services for extensive information on Medicare coverage of audiology services.

FIGURE 1. Advance Beneficiary Notice (ABN) of Noncoverage Decision Matrix

Advance Beneficiary Notice (ABN) of Noncoverage Decision Matrix

Is the patient enrolled in the original Medicare program?

YES



NO →

ABN should not be used.

Is a licensed audiologist performing the service?

YES



NO →

Does not meet definition of a covered service. Mandatory ABN is not required, may utilize voluntary ABN if desired.

Does Medicare cover the service when performed by an audiologist?*

YES



NO →

Does not meet definition of a covered service. Mandatory ABN is not required, may utilize voluntary ABN if desired.

Did the physician or NPP order this service?

YES



NO →

Does not meet definition of a covered service. Mandatory ABN is not required, may utilize voluntary ABN if desired.

In this instance, is this service considered routine?*

NO



YES →

Does not meet definition of a covered service. Mandatory ABN is not required, may utilize voluntary ABN if desired.

In this instance, does Medicare consider this service medically reasonable and necessary?*

NO



Mandatory ABN is required

MAYBE, NOT SURE



Mandatory ABN is required

YES



Covered services do not require ABN

**Please utilize guidance in the *Medicare Benefit Policy Manual*, chapter 15, section 80.3 and any Local Coverage Determinations (LCD) issued by your Medicare Administrative Contractor (MAC) to guide your decisions regarding coverage and medical necessity.

For more detailed information, see the CMS ABN webpage: www.cms.hhs.gov/Medicare/Medicare-General-Information/BNI/ABN.html.

For Coding and Reimbursement questions,
e-mail reimbursement@audiology.org.^{AT}

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