

Advance Beneficiary Notice (ABN)

1. What is an ABN?

An ABN is a form that lets you know that you may have to pay for a service or test your doctor has ordered if your Insurance refuses to pay for it. If you sign the ABN, the doctor's office may bill you for the cost of the ancillary service or test.

2. Why do you want me to sign the ABN?

Although Insurance programs pay for most services or tests, it won't pay for some under certain circumstances. If that happens, the doctor's office must ask the patient to pay. Consequently, patients are asked to sign an ABN whenever insurance appears likely to deny payment for the ancillary service or test the doctor has ordered.

3. Why don't you think Insurance will pay for this service or test?

Insurance pays only for services that it considers to be "medically necessary." Some services or tests are never considered medically necessary. Some services are always considered medically necessary. But most services fall in the middle: They're medically necessary only under certain circumstances, depending on what the patient's diagnosis is. If the diagnosis the doctor lists isn't one of the diagnoses Insurance will accept for that service or test (or if the doctor doesn't tell the lab what the diagnosis is), the service won't be considered medically necessary and Insurance won't pay for it.

4. If Insurance says the service or test isn't medically necessary, then why perform it?

Your doctor has made a medical judgment that you need the service or test. When your doctor says a service or test is medically necessary, he considers your personal medical history, any medications you may be taking, and generally accepted medical practices. When Insurance says a service or test isn't medically necessary, it's not making a medical decision about your health. It's acting like an insurance company deciding what it will pay.

5. Must I sign the ABN?

No. You have three options:

Option I: You may sign the ABN and have the service or test performed. You can then be billed for the service or test.

Option II: You may refuse to sign the ABN and choose not to have the service or test performed. However, in not having the service or test performed, you'll be going against the medical advice of your doctor.

Option III: You may refuse to sign the ABN and go ahead with the service or testing.

The doctor's office will perform the service or test and you'll receive a bill—even though you refused to sign the ABN. A witness will sign the ABN to indicate that you've been advised of the ABN, refused to sign it, but still want the service or test performed.

Under Insurance guidelines, the office may then directly bill you for the services.

6. Will I be billed automatically?

No. After the lab performs the service or test, we'll ask your Insurance to pay for it. Of course, if Insurance does pay for it, you won't receive a bill. You'll get a bill only if Insurance denies the claim. Remember that if Insurance denies the claim, you may contest the denial of the service or test.

7. Is Insurance more or less likely to pay if I sign?

Neither. The fact that you've signed an ABN won't affect Insurance's decision either way.

8. How much must I pay for the service or test?

Ask your provider.

9. Will supplemental insurance pay for the service or test if Insurance doesn't?

Maybe. Contact your insurance company and ask whether the policy covers services not covered by Insurance. If so, find out how to submit claims for payment under the policy.

10. Must I sign an ABN every time a new service or test is done?

No. You'll be asked to sign an ABN only when the doctor has a good reason to think that your Insurance will deny payment for the ordered service or test. So there may be visits to the doctor's office when you'll be asked to sign an ABN and other visits when you won't. It all depends on the service or test and the reason for ordering it on that visit.

11. I've never had to pay for a lab service or test before. Is this something new?

The ABN isn't new—it has been around for 10 years. But more offices are using it nowadays because of recent changes in how Insurance pays for services. These changes make it more likely that Insurance won't pay for a lab service or test. And since some services aren't getting paid by Insurance, they must ask the patients to pay. This explains why ABNs are becoming more common.

12. You say the ABN isn't new. But I've never been asked to sign one before. Why must I sign one today?

There was no reason to believe Insurance would deny payment for the services the doctor ordered for you during previous visits. On other visits when you didn't have to sign an ABN, here are some likely possibilities:

- Your doctor ordered different services on previous visits. This is the first time he is ordering this particular service or test
- This is the same service or test your doctor ordered before but your diagnosis has changed that is, the doctor is ordering the service or test for a different reason
- This is the same service or test and the same diagnosis but since your last service or test, Insurance changed the rules and no longer pays for the service or test under the diagnosis.