Three Questions That Have Unpopular Answers

Each year, while presenting the AAOE's Codequest seminars, I meet hundreds of physicians and billers. Many of them arrive with questions for the Q&A section; unfortunately, as you'll see below, not all the answers are crowd pleasers.

Q1: Patient Payments

Is it best practice to collect everything due from the patient at the time of service? According to CMS, there may be a bit of a snag with this protocol. CMS has received patient complaints regarding collection of fees upfront prior to a claim being submitted to Medicare. Although it is not a violation for participating physicians to accept payment prior to rendering services, there are specific guidelines to follow, especially when reporting these payments.

Furthermore, some physicians who accept assignment report that Medicare sometimes only partially reimburses them for a service, with a check for the balance being sent to the patient. In such cases, the patient had generally paid the practice at the time of service and the practice entered the patient-paid amount in item 29 of the CMS-1500 (02/12) form.

When assignment is accepted, Medicare Part B provides this advice:

- Since it is difficult to predict when deductible/coinsurance amounts will be applicable, and given that overcollection is considered program abuse, it is recommended that providers do not collect these amounts until Medicare Part B payment is received.
- If, despite the above recommendation, providers want to collect the coinsurance amount before Medicare Part B payment is received and believe they can accurately predict the coinsurance amount, they should note the amount collected for coinsurance on the claim form. However, as mentioned above, they run the risk that a portion of the payment that they expect to receive will to be issued to the patient.
- Do not show any amounts collected from patients if the service is never covered by Medicare Part B or you believe, in a particular case, the service will be denied payment. If patient-paid amounts are shown for services that are denied payment, a portion of the provider's check may go to the beneficiary.

When assignment isn't accepted, there is no need to show a patient-paid amount in item 29 of form CMS-1500 (or electronic equivalent).

Q2: Claim Submissions

Must practices submit the claim for the patient if they are nonparticipating with the patient's insurance? Yes. It is not enough to hand patients the completed CMS 1500 form and have them submit it themselves. It's also important to inform patients that they will need to personally address any problems with the claim, even though the practice is submitting it for them. Patients should pay the practice at the time of service, and any insurance payment will then go to the patients directly.

The big exception to this rule involves Medicare Advantage (MA) plans. MA plans never pay a patient directly. So even when you are nonpar with an MA plan, you are technically a participating physician. The MA fee schedule is 95% of the participating physician fee schedule. Payment is 80% of the allowable after the annual deductible is met; and the patient, the secondary insurance, or supplemental insurance is responsible for the 20% balance.

Q3: ABNs

Does the Advance Beneficiary Notice of Noncoverage (ABN) apply to all payers? No. The ABN found at www.aao.org/practice-management/coding/updates-resources is a Medicare Part B document only and should never be used for patients with any other type of insurance, including Medicare Advantage Plan patients. It informs patients of their potential financial responsibility when you know or suspect that an exam, test, or surgery is not covered. To alert Medicare Part B that an ABN is obtained, append modifier –GA to the CPT code(s) submitted.

On May 5, 2014, CMS instructed all MA plans to discontinue use of the ABN. When MA plans see modifier –GA appended to a CPT code, not only do they deny the claim but they also stipulate that the patient is not responsible for payment. Commercial plans may have their own version of the ABN.

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