

Informational Update Vol 14 #8

1. Advance Beneficiary Notice (ABN) – One of the major criticisms of Medicare Advantage plans are their prior authorization requirement. Prior Authorization, which the plans use for relatively high cost services, was one of the major reasons Judge Frank ruled in favor of the petitioners, stopping the City from forcing Medicare-eligible public retirees who have Original Medicare and a supplemental Medicare insurance plan into the Aetna Medicare Advantage plan.

Although not widely known, Original Medicare has a similar constraint as an advantage plan known as an Advance Beneficiary Notice.

What is it?

An Advance Beneficiary Notice is a waiver of liability that medical providers issue to their Medicare-eligible recipients, warning them that Original Medicare may not cover the services they are receiving. The recipient will be asked to sign the ABN

When does a Provider Issue an ABN?

Medical providers will generally issue an ABN if the Medicare item or service is

- Not indicated under the normal method for the diagnosis, treatment of illness, injury or to improve the functioning of a malformed body part,
- Experimental or considered research, or
- More than the number of allowable services in a specific period

This list is far from exhaustive. There are many other instances when an ABN is issued.

What Rules Govern the Use of an ABN?

There are rules governing how an ABN may be used. Here are some of them:

1. Every ABN requires specific information including your personal information, the name of the service that may not be covered, the reason Medicare may not cover it, and the estimated cost.
2. ABNs may be issued to you only if you have Original Medicare. If you have a Medicare Advantage plan, you cannot receive an ABN.
3. The provider is required to ensure that you read and understand what is written on the ABN. He or she must also all questions related to it.
4. The provider may not issue an ABN immediately before an appointment. You must be given adequate time to consider all of your options.

Who Pays if Medicare Denies the Claim?

It depends. If you were issued an ABN, then you are responsible for payment. If the doctor did not issue an ABN, then the doctor is responsible.

Receiving an ABN can be very stressful, especially if Medicare denies a claim. An option you have is to file an appeal. If you do it properly, you will generally receive a decision within 60 day

2. Skilled Nursing Facility

What is a Skilled Nursing Facility?

Often, individuals confuse nursing homes with a skilled nursing facility (SNF) because of their similarities. In fact, many times the terms are used interchangeably. To be clear, a SNF provides more “skilled” medical expertise and

services than a nursing home. Basically, a SNF provides rehabilitation services to help injured, sick or disabled individuals get back on their feet. Generally, hospitals make the arrangements to transfer a patient to a SNF after an acute hospital stay, such as surgery. The transfer occurs when the patient is released (must be in from the hospital (must be in the hospital a minimum of 3 days). In the SNF, the patient will receive whatever rehab he or she needs like physical or speech therapy until he or she is ready to go home.

What is the coverage for staying at an SNF?

- Days 1-20: \$0 (covered by Medicare)
- Days 21-100: \$0. (covered by Blue Cross Blue Shield)
- Days 101 and beyond: You pay all costs.

3. Question of the Month

Q. I was in the hospital for 1 week and received a \$300 bill. What was that for?

A. Sorry to hear about your hospital stay. Your hospital stay is generally fully covered except for the \$300 deductible that you received. The good news is that the CSA Retiree Welfare Fund and CSA Retiree Chapter cover this cost.

After a \$100 deductible, you get back 80% of the cost or \$160. The CSA Retiree Chapter will then reimburse you an additional 20% of what the Fund gave you, or \$32. So of the \$300 (with a max of \$750 deducted per year) charge you get back \$192.

To apply for the reimbursement just send a copy of the \$300 bill and proof of payment to the CSA Retiree Welfare Fund. Once you get the check from the Fund you will automatically get a check from the Chapter about 2 weeks later.

Have a great and safe day

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