

PATIENT INFORMATION FOR LABORATORY MEDICARE COVERAGE

Your doctor has ordered laboratory tests to diagnose a condition or evaluate how well your treatment is working. **Medicare has recently limited the amount of coverage it provides for outpatient laboratory testing.**

Before a specimen is taken for testing, you may be asked to sign an Advance Beneficiary Notice, or ABN. The ABN was prepared by IHC Laboratory Services, the laboratory that will perform the tests for your doctor. We also prepared this brochure to answer some of the questions you may have about the ABN and why you're being asked to sign it.

1. **Q What is an ABN?**

A An ABN is a form that lets you know that you may have to pay for a test your doctor has ordered if Medicare refuses to pay for it. Once you sign the ABN the lab may bill you for the cost of the test.

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

A Although the Medicare program pays for most lab tests, it won't pay for some tests under certain circumstances. When that

happens, IHC must ask the patient to pay. Consequently, we ask patients to sign an ABN whenever Medicare appears likely to deny payment for the specific test the doctor has ordered. The reason you are being asked to sign an ABN now is that this is one of those occasions where we or your doctor believe Medicare won't pay.

3. **Q Why don't you think Medicare will pay for this test?**

A Medicare pays only for tests that it considers to be "medically necessary." Some tests are never considered medically necessary. Some tests are always considered medically necessary. But most tests 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 that Medicare will accept for that test (or if the doctor doesn't tell the lab what the diagnosis is), the test won't be considered medically necessary and Medicare will not pay for it. That appears to be the case with the test your doctor has ordered.

4. **Q Must I sign the ABN?**

A No. You have three options:

Option 1: You may sign the ABN and have the test performed. You may then be billed for the test in the event that Medicare does not pay for it.

Option 2: You may choose not to pay and sign the "refusal to pay" section of the ABN and not have the test performed. However, in not having the test performed, you'll be going against the medical advice of your doctor. So it is advisable for you to consult with your doctor before choosing this option.

Option 3: You may refuse to sign the ABN and still demand that the testing be performed. IHC will perform the testing 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 wanted the test performed. Under Medicare guidelines we will then directly bill you for the tests.

5. **Q If Medicare says the test isn't medically necessary, then why perform it?**

A Your doctor has made a medical judgment that you need the test. When your doctor says a test is needed, he/she considers your personal medical history, any medications you may be taking, and generally accepted medical practices. When Medicare says a 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 and won't pay for. And, just like private insurers, there are occasions when Medicare won't pay for services that doctors think are important to a patient's health. But as the ABN says, you have the option not to have the test done. If you have questions about a specific test your doctor has ordered for you and why it's medically necessary, ask your doctor.

6. **Q Is Medicare more or less likely to pay if I sign?**

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

7. **Q Will supplemental insurance pay for the test if Medicare doesn't?**

A Maybe. If you have a supplemental insurance policy (sometimes called a "Medigap" policy), contact the insurance company and ask whether the policy covers lab tests not covered by Medicare. If so, find out how to submit claims for payment under the policy.

8. **Q How much must I pay for the test?**

A Ask your doctor. We've given your doctor a list of prices IHC charges for specific tests so that he/she can relay this information to you. If you can't afford to pay for the test, discuss this with your doctor.

9. **Q Will I be billed automatically?**

A No. After the lab performs the test, we'll ask Medicare to pay for it. Of course, if Medicare does pay for it, you won't receive a bill. You'll get a bill only if Medicare denies the claim. You may contest the denial if you think it was wrong. Contact your doctor or Medicare if you want to do that.

10. **Q Must I sign an ABN every time a new test is done?**

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

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

A The ABN isn't new. It is getting more use because Medicare has made several changes in the way it pays or does not pay for lab tests. These changes make it more likely that Medicare won't pay for a lab test. And since labs aren't getting paid by Medicare, they must ask the patients to pay. This is why ABNs are becoming more common.

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

A There was no reason to believe Medicare would deny payment for tests the doctor ordered for you during previous visits. But your doctor or we think that Medicare won't pay for the test being ordered today. Although you should ask your doctor what the difference is between today and other visits when you didn't have to sign an ABN, here are the likely possibilities:

This is the same test and the same diagnosis. But since your last visit, Medicare has changed the rules and no longer pays for the test under this diagnosis;

Your doctor has ordered different tests on previous visits. This is the first time he/she has ordered this particular test; or

This is the same test your doctor ordered before but your diagnosis has changed. That is, the doctor is ordering the test for a different reason.

For additional information call your Medicare Benefits at 1-800-426-3477



ANSWERS TO IMPORTANT QUESTIONS ABOUT CHANGES IN MEDICARE COVERAGE FOR LABORATORY TESTING