



Date: January 11, 2010  
To: Medicare Patients  
From: HML Patient Accounts  
Subject: New Medicare Rule

The Centers for Medicare and Medicaid Services (CMS) have announced a change to processing of claims for testing that may not meet their defined medical necessity requirements. Starting April 1, 2010, Medicare will automatically deny payment to the lab for any service billed with the modifier indicating that we have obtained an Advance Beneficiary Notice of Non-coverage (ABN) from the patient or his/her representative.

When you have services provided by HML, we compare requested tests to the diagnostic information provided by your physician on the order form to try to determine if Medicare may deny payment based on insufficient documentation of medical necessity. If we believe that the service will not be covered based on the diagnosis, you are required to sign an ABN prior to receiving the service. This ABN advises you that the service may not be covered, the cost of the test, and provides documentation that you accept full financial liability, or to refuse the tests that may not be covered. If you have an insurance secondary to Medicare, we will submit the claim to them if denied by Medicare; however, many supplemental policies will not pay for a service that Medicare has denied.

For the last ten years, HML could submit the claim with the modifier indicating that the ABN was obtained, Medicare would check the tests against their medical necessity requirements, and pay the claim if the requirements were met. Furthermore, if the claim were denied, HML could appeal this after obtaining additional diagnostic information from your provider. However, with this change, Medicare will no longer check the diagnosis, but will deny any service submitted with the modifier indicating an ABN was obtained. The lab may not appeal this; only the beneficiary (patient) or his/her representative may appeal. Once a charge has been denied by Medicare, **HML will no longer be able to contact the ordering physician for you nor will we be able to provide any additional information to Medicare on your behalf. It will be your responsibility to contact the physician to inquire about additional information for Medicare to review.** Your appeal rights will be explained on your Medicare Summary Notice or you may call Medicare at 800-633-4227.

This is certainly not a welcome change for HML, and we expect for you. We are hoping that this advanced notice will help you prepare for this change.