For Medicare Patients

Important Information Concerning Diagnostic Testing

How does the billing process for diagnostic testing work?

When your doctor orders testing from an outside facility, that facility bills Medicare directly for the tests. To file your claim, the testing facility submits your Medicare ID number, information about the tests performed, diagnostic information provided by your doctor and other billing information.

What is “medical necessity?”

Medicare covers only services which it considers to be reasonable and necessary for your treatment. For many tests, this determination is made by comparing information about your medical condition provided by your doctor with medical necessity guidelines published by Medicare. If Medicare has not approved the test for patients with the condition(s) listed by your doctor, payment may be denied.

What is an ABN?

An ABN, Advance Beneficiary Notice, is provided to you when Medicare may not pay for a test based on Medicare medical necessity guidelines. The ABN identifies the test in question, explains why denial of payment is likely and gives you an opportunity to make an informed decision before incurring any financial liability.

When presented with an ABN, what options do I have?

You have three options when an ABN is presented to you.
You may:

1) Accept financial responsibility and proceed with the test. In this case, you will be asked to indicate your agreement by signing the appropriate section of the ABN.

2) Decide not to proceed with the test.

3) Consult with your doctor before making a final decision.

Will accepting responsibility for payment affect Medicare’s decision to pay for the test?

No. Many factors are involved in Medicare’s final decision to approve or deny payment, including the purpose of the test and whether the test is considered medically necessary. The fact that you have signed an ABN agreeing to pay for the test does not affect the likelihood Medicare will pay for it.

What if I will not accept responsibility for payment but still wish to have the test?

If a test does not meet Medicare medical necessity criteria and you will not accept financial responsibility, the hospital may decide not to proceed with the test.

If Medicare will not pay for a test based on medical necessity guidelines, does that mean I do not need the test?

No. Your doctor bases decisions about diagnostic testing on a wide range of factors, including your personal medical history, any medications you might be taking and generally accepted medical practices. Even if your doctor believes a particular test is “good medicine” and provides helpful information, Medicare may still deny payment.

What if I have questions?

If you have questions, please ask your doctor or testing facility, or call Medicare Customer Service at 1-800-633-4227.

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