Medical Coverage Policy

Advance Notice of Noncoverage

☐ Device/Equipment ☐ Drug ☐ Medical ☐ Surgery ☐ Test ☒ Other

Effective Date:	4/1/2011	Policy Last Updated:	06/01/2011

☐ **Prospective review is recommended/required. Please check the member agreement for preauthorization guidelines.**

☒ **Prospective review is not required.**

Description:

NOTE: This policy applies to all BCBSRI products.

Blue Cross Blue Shield of Rhode Island (BCBSRI) follows CMS regulations regarding advance notice of noncoverage (ANN), also known as advance beneficiary notice (ABN).

The Advance Notice of Noncoverage (ANN) is a written notice given to a member to indicate that the service will not be covered by the member's insurance. Providers who must issue an ANN include physicians, laboratories, hospice providers, inpatient/outpatient hospitals, durable medical equipment (DME) providers, skilled nursing facilities (SNF), hospice providers, and home health providers.

Providers should complete an ANN to notify members in advance of:

- **initiation of services**: the beginning of a new patient encounter, start of a plan of care, or beginning of treatment; OR
- **reduction of services:** a decrease in the frequency or duration of a component of care. For example, a patient is receiving physical therapy five days a week and wishes to continue this frequency; however the treating provider believes that the patient's therapy goals can be met with only three days of therapy weekly; OR
- **termination of services**: discontinuation of items/services. For example, a patient receives speech therapy and the treating provider determines that the therapy is no longer reasonable and necessary; however the patient wishes to continue to receive speech therapy. of what the provider believes to be noncovered items or services.

If a written advance notice is not given to the member, the provider is financially liable for the service/item provided to the member.

NOTE: This notice is not to be given if a service is covered but not separately reimbursed, or is considered bundled in another service. Members may not be held liable for services that are not separately reimbursed or bundled.

According to the Centers for Medicare and Medicaid (CMS):

- the service/item which is believed to be not covered must be specifically listed on the ANN; **AND**
- An estimate of the cost must be included. A reasonable estimate for all the items or services should be within $100 or 25% (whichever is greater) of the actual costs. However, an estimate that exceeds the actual cost is acceptable as the member would not be harmed if the actual costs were less than predicted; **AND**

- the ANN must be verbally reviewed with the member or his/her representative and any questions must be answered prior to signing; **AND**
- the ANN must be delivered far enough in advance for the member to consider the options and make an informed decision; **AND**
- a copy of the signed ANN is given to the member and the issuer must retain the original in the member's file.

If a service/item requires utilization review and a denial is issued, if the member elects to go forward despite the denial then an advanced member notice is not required as the denial notice serves as notification to the member that the service/item is not covered.

Policy:

Claims for health service codes that are filed with the -GA, -GU, and -GX modifiers will deny as member liability.

Coding:

-GA Waiver of liability statement issued as required by payer policy, individual case
-GU Waiver of liability statement issued as required by payer policy, routine notice
-GX Notice of liability issues, voluntary under payer policy

HCPCS modifier **-GA** should only be used to report a **required ANN issuance**. Required notice is for items or services that are not reasonable and necessary, e.g., a member requests a full body MRI when no medical necessity for the scan exists. The -GA should not be reported in association with any other liability-related modifier and should be submitted with noncovered charges only.

HCPCS modifiers **-GU or -GX** should be used to report a **voluntary ANN issuance**. Voluntary notice is for care that is typically excluded from coverage, e.g., cosmetic surgery. -GU or -GX can be used to provide notice of liability to the member and the claim will process as member liability.

Publication:

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