Posting Scenarios and Solutions Business Office and Finance Process

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Posting Scenarios

- Refunds
- Transfers
- Unbilled Reimbursement
- Payment Credit
  - Recoupment
  - POS Reversals/Transaction Fees
- Posting the Right Adjustments
  - Adjustment Reports

REFUNDS

Business Office & Finance

- Relay of responsibilities
- Payment received
- The need for a refund is discovered
- Facility Business Office process
- Division of Financial Management process
- Facility Business Office process closure

The Three Types of Refunds

- **Type I** – The facility knows **immediately** that they will not be posting or holding the payment(s). (Already in Bank, but while BATCHING find it is not your check)

- **Type II** – The facility finds during the posting process that they will not be posting a payment(s) or a portion of the payment(s). (Already in Bank, already Batched)

- **Type III** - refunds are for payments that have been posted to the accounts receivable package against a billed service or billed services. (Already in Bank, Batched, and Posted to an account)

Business Office Processes

- **Process I**: Communicate with Division of Finance to process a payment through accounts payable **(Refund)**

- **Process II**: Insurance company does not want a refund but prefers to process the recoupment on their side as a credit **(Recoupment)**

Refund Type & Business Office Process – The Relationship

- **Refund Type I (Bank, Need to Batch)**
  Business Office Process I (Refund)

- **Refund Type II (Bank, Batched, Trying to Post)**
  Business Office Process I (Refund)

- **Refund Type III (Bank, Batched, Posted)**
  Business Office Process I (Refund)
  A/R posting option REF
  Business Office Process II (Recoupment)
  Use payment credit posting

Business Office Process I

- Put the check into a collection batch
- Put the item to be refunded into the unallocated account
- Complete refund documentation - Sample
- Send refund documentation to finance
- **Receive refund verification from finance**
- Clear the unallocated account
- Post to "REFUND" from Unallocated

Finance Refund Process

- Receive refund documentation from facility

- Verify vendor is in UFMS

- Provide refund documentation to A/P

- Obtain copy of A/R refund batch from certifying officer

- Mail letter to vendor with supporting documentation

- Run trace to verify cashing of check

- Adjust collection amounts in **A/R database**

- Inform facility that refund process is complete

Business Office Process II

- Insurance recoups through payment credit

- Use the posting a payment credit process to move a payment from one account to another

Refund Payment Source

- Check posted in RPMS:
  Pay refund from the service unit
  third-party CAN (cost center 00)

- Check not posted in RPMS:
  Create/post invoice in UFMS A/R
  using the Area General Collection CAN
  then pay refund from that same CAN

TRANSFERS

Types of Transfers

- Transfer Between Area Facilities
- Transfer Between Area Offices
- Transfer to General Account
- Transfer from Federal to Tribal
- Business Office and Finance Duties

TRANSFER **BETWEEN** AREA FACILITIES

Transfer **Between Area Facilities** – Business Office Process

- Background: Check is received by PNC Bank and deposit into Area #1, **Facility A** LockBox/Treasury Account

- Facility A receives the Batch, enters a Collection Batch and when Posting, finds the check doesn't belong to them

- Facility A: Post the Item and Amount into Unallocated Cash

- PUC: Post Unallocated Cash (See Example)

- Facility A STEP #1: Print Letter requesting Transfer, and Forward to Finance

- Facility A: Send Copy of Transfer Letter, and Backup EOB to Facility B.

Transfer **Between Area Facilities** – Finance Duties

- Transfer request received by finance
- Adjust collection amounts for facilities
- Forward request to batching personnel for **Facility B**
- Batch created by receiving facility
- Notify sending facility that transfer completed, by returning the Transfer Letter to **Facility A**

Transfer **Between Area Facilities** – Business Office Process - Continued

- **Facility A – Step #2**: After receiving completed/transfer letter, Post from Unallocated Cash to Refund.

- Facility B: Once received completed/transfer letter, and back up EOB, Create Batch using the **referenced TDN/Schedule Number**.

- Facility B: Post to Account

Transfer Example

- Action (1=Post to an A/R Bill, 2=Refund, **3=Transfer** to another facility, 4=Exit)
- 3 Transfers
- Transfer Amount: (.01-494.85): 494.85//
- Select A/R ACCOUNTS/IHS: ??
- Choose from:
- **4023   CROW HO**
- **4024   HARLEM HO**
- **4025   POPLAR HC**
- **4026   FT.WASHAK.HC**
- **4027   LAME DEER HC**
- Select A/R ACCOUNTS/IHS: 4023 CROW HO
- Select one of the following:
- P   POST IT
- L   PRINT FINANCE LETTER

- You are transferring 494.85 to CROW HO.
- **Would you like to Post this or Print Finance Letter: L//**

TRANSFER **BETWEEN AREA OFFICES**

Transfer **Between Area Offices** – Business Office Duties

- Background: Check is received by PNC Bank and deposit into **Area #1/Facility** LockBox/Treasury Account

- **Area #1/Facility** receives the Batch and enters a Collection Batch, and when Posting finds the check doesn't belong to them

- **Area #1/Facility:** Post the Item and Amount into Unallocated Cash

- PUC: Post Unallocated Cash

- **Area #1/Facility:** Print Letter requesting **Refund**, and Forward to Finance

- **Area #1/Facility**: Send Copy of **Refund** Letter, and Backup EOB to Area #2/Facility.

- **WRITE REASON FOR TRANSFER/REFUND ON BOTTOM OF LETTER**

Transfer **Between Area Offices** - Finance Duties

- Transfer/Refund request received by finance
- Create/post in A/R using area CAN for general collections
- Contact receiving area finance to coordinate
- IPAC transfer to receiving area using the area CAN
- Notify sending facility transfer completed, **Area #1**
- Mail supporting documentation, including Refund Letter
- Receiving area adjusts collection amounts, **Area #2**
- Forward request to batching personnel
- **Note: IPAC document reference number is used for TDN**

Transfer **Between Area Offices** – Business Office Process - Continued

- **Area #1/Facility – Step #2**:
  After receiving completed/transfer letter, Post from Unallocated Cash to Refund. See Attachment

- **Area #2/Facility**: Once completed Refund letter is received, and back up EOB, Create Batch, Using the **IPAC** as the TDN/IPAC Number.

- **Area #2/Facility**: Post as Normal

Transfer to General Account

Transfer to General Account – Business Office Duties

- Background: a non-third party check is mailed to PNC by mistake and Batch is Created.

- When Posting, finds the Check is not a Patient Account Related

- Post the Item and Amount into Unallocated Cash

- PUC: Post Unallocated Cash (See Example)

- **Step #1:** Print Letter requesting **Refund**, and Forward to Finance

- ***WRITE REASON FOR REFUND/TRANSFER ON BOTTOM OF LETTER***

Transfer to General Account – Finance Duties

- Transfer/Refund request received by finance

- Adjust collection amounts for facility

- Copy of transfer given to UFMS A/R billing lead

- A/R billing lead creates invoice using service unit 0108 CAN for general collections

- UFMS A/R receipt accountant posts the receipt to the invoice

- Notify facility that transfer is complete

Transfer to General Account – Business Office Duties, Continued

- Step #2: After receiving completed REFUND, Post from Unallocated Cash to Refund. See Attachment

Transfer from Federal to Tribal

Transfer from Federal to Tribal – Business Office Duties

- Background: PNC Deposits a Reimbursement from Medicare and sends to Federal Area/Facility and Deposit is Batched.
- It is determined that a portion/all of the Batch belongs to a Tribal Entity
- Federal Area/Facility Post the Amount to Unallocated Cash
- PUC: Post Unallocated Cash (See Example)
- **Step #1:** Print Letter requesting **Refund**, and Forward to Finance
- ***WRITE REASON FOR REFUND/TRANSFER ON BOTTOM OF LETTER***

Transfer from Federal to Tribal – Finance Duties

- Transfer/Refund request received by finance
- Adjust collection amounts for facility
- Create invoice and receipt in UFMS and post collection to tribal general CAN
- Allot funds to tribal BAP (after advice of allow)
- Modify the tribal contract (acquisitions staff)
- Copy of transfer given to UFMS A/P tech
- A/P payment tech creates/issues payment using modification and tribal general CAN
- Notify facility that transfer is complete

Transfer from Federal to Tribal – Business Office Duties, Continued

- **Federal Area/Facility, Step #2**: After receiving completed REFUND, Post from Unallocated Cash to Refund. See Attachment

BSL Example

BATCH DATE SEQ-BS	BATCH TOTAL	COLLECTIONS PROCESSED	UNALLOCATED TRUE	TOTAL	REFUNDED FROM BATCH	BALANCE
COLLECTION ID: FY09 PRIVATE INS						
10/09/2008-1- P	1565.04	1565.04	0.00	0.00	0.00	0.00
10/10/2008-1- P	3586.24	3352.25	183.15	233.99	50.84	0.00
10/10/2008-2- P	7864.00	7864.00	0.00	0.00	0.00	0.00
10/14/2008-1- P	1538.75	1399.60	0.00	57.38	57.38	81.77
01/07/2009-3- P	1682.15	744.33	0.00	180.20	0.00	757.62

- Show Gina Slide on TBSL Example

Unbilled Reimbursements

Unbilled Reimbursement

- Unbilled Reimbursement: Patient Related Reimbursement, but an INVOICE was not submitted for Payment
- HPSA (Health Professional Shortage Area)
- Interest
- Managed Care Fees
- Incentive Payments
- Rate Changes
- Etc.
- **Not** to be confused with Administrative Reimbursement (Med. Records Copying, etc.)

Unbilled Reimbursement Process

- Add in **new** Insurers to reflect the Manual Bill
  - Per Allowance Category
  - Use UFMS Other, UFMS Medicare, UFMS Private Insurance, and UFMS Medicaid
  - Set as Unselectable
- Create a Manual Bill Using ADMG
  - Use Demo Patient
  - Use Best Visit Type, Clinic, and DOS to reflect the circumstances
  - Will be **Filed** to A/R for Posting

Generic Insurance Company

NAME: **UFMS PRIVATE INSURANCE**
STREET: 2900 4TH AVE NORTH
CITY: BILLINGS   STATE: MONTANA
ZIP: 59101   PHONE: (406)247-7184
CONTACT PERSON: CYNTHIA LARSEN
FEDERAL TAX ID #: **404401PRV**
STATUS: **UNSELECTABLE**
TYPE OF INSURER: PRIVATE
LONG NAME: UFMS PRIVATE INSURANCE

Adding a Manual Invoice in 3PB

```
MGTP    Claim/Bill Management Menu
ADMG    Add a new BILL that was Manually Submitted

NOTE: This program should only be utilized when an entry in the
Accounts Receivable File is needed to reflect a bill that was
manually prepared and submitted.

Proceed? NO// YES

Visit Location: HARLEM HO// SPITAL   HARLEM HO

Patient: DEMO

    2    DEMO,PATIENT                        <CWA>  F 01-01-1952
HAR

Visit Type: 131  OUTPATIENT
(Use whatever Visit Type best describes)

Clinic: GENER (Use whatever Clinic Type best describes)

    1    GENERAL            01

    2    GENERAL PREVENTIVE         27

CHOOSE 1-2: 1  GENERAL       01
```

Adding a Manual Invoice

```
Serv Date From.: 010108  (JAN 01, 2008)
    (Use Date of Batch of Receipt)
Serv Date Thru.: JAN 1,2008//
No. of Visits..: 1//
Insurer........: UFMS( UFMS )
The following matches were found:
  1: UFMS PRIVATE INSURANCE          - 2900 4TH AVE NORTH
Select 1-4: 1
Amount Billed..: 150
DEMO,PATIENT has NO ELIGIBILITY for UFMS PRIVATE INSURANCE on JAN
    01, 2008
    (System does check Patient Registration for Eligibility)
File Bill? NO// YES

Bill # 329137 Filed.   (INVOICE NUMBER FOUND IN A/R TO POST TO)
```

Posting Unbilled Reimbursement

- Create a Manual Bill (ADMG in TPB) for the proper amount.

- Post From the Batch, Item, directly to the New A/R Account/Invoice.

- AVOID Using Unallocated, **unless** this is a **non-patient** related Reimbursement, entered in a batch as an Error.

Posting a Manual Bill

```
List of Transactions for Bill 329137-HA

Patient: DEMO,PATIENT                    Beg DOS : JAN 01, 2008
Address: P.O. BOX 2                      End DOS : JAN 01, 2008
CHINOOK, MONTANA 59523                   LST STMT:


Phone #: 353-1111                Insurer: UFMS PRIVATE INSURANCE
                                          Balance: 150.00


Trans Dt    By   Trans Type                Amount         Balance
                 A/R Account               Batch
     Item
------------------------------------------------------------------
08/15/2008       BILL NEW                  150.00         150.00
                 UFMS PRIVATE INSURANCE      NO BATCH          0
```

PAYMENT CREDIT

Use of Payment Credit

- Payment Credit is a type of A/R Adjustment transaction that allows sites to adjust bills without the TDN reference

- Generally used for recoupments to ensure UFMS does not error the transaction

Use of Payment Credit

```
Claims for DOE,MICKEY M  from 07/25/2004 to 07/25/2004      Page: 1


                                     Billed      Current      Current      Current
Line #  DOS          Claim #         Amount      Payments     Adjust.      Balance
--------------------------------------------------------------------------------
1    07/25/1994   3633A-R-35         108.00       0.00         0.00          20.00

Line #: 2
Select Command (Line # 2) : A
Adjustment Amount: 20
Adjustment Category: ??


   Choose from:
   3           WRITE OFF      WO
   4           NON PAYMENT       NONPAY
   13          DEDUCTIBLE        DD
   14          CO-PAY       CP
   15          PENALTY       PNY
   16          GROUPER ALLOWANCE       GRPALL
   20          PAYMENT CREDIT      PAYCRD
   21          PENDING        PEND
   22          GENERAL INFORMATION       GENINF
```

Use of Payment Credit

```
Adjustment Category: 20   PAYMENT CREDIT        PAYCRD

Adjustment Type: ??

    Choose from:
    113           BILLED IN ERROR
    114           NOT BILLABLE TO OTHER(S)
    121           RECEIVED NO-COL-REGISTER
    132           POSTED IN ERROR
    137           ZERO PAY
    138           CREDIT TO OTHER BILL
    139           CREDIT FROM OTHER BILL

Adjustment Type:
```

RECOUPMENTS

Recoupments

- Scenario: When a site receives a payment for a billed service that was overpaid or paid in error. Payer doesn't ask for refund, but recoups payment from a different remittance/invoice.

- Treasury Schedule Number shouldn't be messed with once reconciled.

- USE PAYMENT CREDIT

- This applies to Pharmacy POS Reversals as well.

RECEIPT PAID IN ERROR

List of Transactions for Bill **30501A**-IH-123567

Patient: **DEMO,JOHN**   Beg DOS : DEC 28, 2007
Address: PO BOX XXX   End DOS : DEC 28, 2007
SXXXX, ARIZONA XXXXX   LST STMT:

Phone #: XXX-XXXX   Insurer: MEDICARE
                                                Balance: 0.00

Trans Dt	By	Trans Type A/R Account	Batch	Amount	Balance Item
12/28/2007		BILL NEW		201.00	201.00
		MEDICARE	NO BATCH		0
04/06/2008	TVG	PAYMENT		(152.76)	48.24
		MEDICARE	**MEDICARE OPV-12/18/2007-1**		1
04/06/2008	TVG	CO-PAY/Coinsurance Amount		(25.00)	23.24
		MEDICARE	MEDICARE OPV-12/18/2007-1		1
04/06/2008	TVG	NON PAYMENT/Chrgs Excd Max Allowable Amt		(23.24)	0.00
		MEDICARE	MEDICARE OPV-12/18/2007-1		1
04/10/2008	TVG	**PAYMENT CREDIT/CREDIT TO OTHER BILL**		**152.76**	152.76
		MEDICARE	**MEDICARE OPV-04/06/2008-1**		1
04/10/2008	TVG	**CO-PAY/Coinsurance Amount**		**25.00**	177.76
		MEDICARE	MEDICARE OPV-04/06/2008-1		1
04/10/2008	TVG	**NON PAYMENT/Chrgs Excd Max Allowable Amt**		**23.24**	201.00
		MEDICARE	MEDICARE OPV-04/06/2008-1		1
04/10/2008	TVG	**NON PAYMENT/Expnse Incrrd Prior to Coverag**		**(201.00)**	0.00
		MEDICARE	MEDICARE OPV-04/06/2008-1		1

RECEIPT ADJUSTED

List of Transactions for Bill **30503A**-IH-123567

Patient: DEMO,JANE   Beg DOS : FEB 22, 2008
Address: PO BOX XXX   End DOS : FEB 22, 2008
SXXXX, ARIZONA XXXXX   LST STMT:

Phone #: XXX-XXXX   Insurer: MEDICARE
                                                Balance: **0.00**

Trans Dt	By	Trans Type		Amount	Balance
		A/R Account	Batch		Item
02/22/2008		BILL NEW		201.00	201.00
		MEDICARE	NO BATCH		0
04/06/2008	TVG	**PAYMENT CREDIT**/**CREDIT FROM OTHER BILL**		**(152.76)**	48.24
		MEDICARE	**MEDICARE OPV-04/06/2008-1**		1
04/06/2008	TVG	**CO-PAY/Coinsurance Amount**		**(25.00)**	23.24
		MEDICARE	MEDICARE OPV-04/06/2008-1		1
04/06/2008	TVG	**NON PAYMENT/Chrgs Excd Max Allowable Amt**		**(23.24)**	**0.00**
		MEDICARE	MEDICARE OPV-04/06/2008-1		1

POS Reversals/Transaction Fees

Pharmacy Transaction Fee - Posting

- Processors will charge for doing business electronically, whether they paid the claim or not:

- Payment Credit Adjustment Code: "Transaction/Processing Fee"

- This causes us to "run out of money" before we have posted all the payments.

- Two Different Scenarios:
  - Post to Individual Accounts
  - Post to One Account, for Total Fees

- See Example

Process Individually Example #1

- Billed 118.33 (113.83 + 4.50 Dispensing)
- Approved/Allowed amount 98.12 (95.62 ingred and 2.50 dispensing)
- Of that 98.12, 3.10 was due from patient for co-pay
- Of that 98.12, they didn't pay because they "charged" .09 for doing business
- What would your transactions look like?

A/R Transactions

- Adjustment (Non-Pay, Over UCR) 20.21
  - (118.33-98.12)
- Co-Pay   3.10
- Payment (post NET)   94.93
  - (98.12 – 3.10 - .09)
- Adjustment (Payment Credit) .09
  - Using New Established Reason Code
- TOTAL ACCOUNTED FOR   118.33

Write Off versus Non-Payment

- Do you know when to use the Adjustment Category of Write Off versus when to use Non-Payment?

- Ask yourself this question: IF THE PATIENT HAS ANOTHER ALTERNATE RESOURCE, DO I WANT TO PURSUE PAYMENT FROM THAT SECONDARY PAYER?

Adjustment Reason Codes

Using the Right Codes, Posting Correctly: What does this Tell you about Denial Management?

Uncontrollable Adjustments/Write Offs

- Un-Controllable – Understanding that there are certain "non-payments" that are to be expected.
  - Going to Experience Regardless of the Billing Accuracy or Efficiency of the Program:
  - Our job is to know what they are and stay within those limits
    - Deductibles
    - Co-Pays/Co-Insurance
    - Over the Allowable/Over UCR (Usual Customary, and Reasonable) (semi controllable)
    - DRG Adjustment (Diagnostic Related Grouper)
    - Contractual Adjustments (semi controllable)

Controllable Adjustments/Write Offs

- These are Adjustments/Write Offs that we can control, and should be minimal if we fix something in our process:
  - Billed in Error
  - No/Other Eligibility for this Patient (Verify by Patient Registration)
  - Non-Covered Service (Know our Policies and Benefit Plans)
  - Beyond Filing Limit (Drop Clean Claims faster and follow up)
  - Medical Records/Coding/DE Issues (Verifying at these function levels)
    - Missing Information, Wrong Information, Additional Information
  - Signature Requirement
  - Etc.
- Start Using Reports to look at your Adjustments/Write Offs
- Remember, we need to **Change Payer Behavior**

Adjustment Report

- Show Example on Spreadsheet
- Show Instructions

QUESTIONS?

Thank you!