

Processing Transactions

CHAPTER 5

WHAT YOU NEED TO KNOW

To complete this chapter, you need to know how to:

- Enter information in NDCMedisoft™.
- Navigate the NDCMedisoft™ software.
- Search for information in an NDCMedisoft™ database.
- Enter patient and case information.

WHAT YOU WILL LEARN

When you finish this chapter, you will be able to:

1. Define the terms introduced in this chapter.
2. Explain the information contained on a patient's encounter form and how it is used to record a transaction.
3. Enter procedure charge transactions.
4. Record and apply payments received from patients and insurance carriers.
5. Print a walkout receipt.
6. Enter an adjustment.

KEY TERMS

Adjustment An amount, positive or negative, entered to correct a patient's account balance.

Charge The amount (or cost) of a procedure performed by a provider.

Default An entry automatically displayed in an input field (can be overwritten).

Inpatient Refers to a patient admitted to a hospital who stays there for one or more days before being discharged.

Insurance payments Payments made to the practice by insurance carriers.

Modifiers One- or two-digit codes that allow more specific descriptions to be entered for the services the physician performed.

Multilink code A code that incorporates a number of individual procedure codes that are related.

Outpatient Refers to a patient who is treated at a hospital but does not stay overnight.

Patient payments Cash, checks, or credit card charges from patients for services rendered.

Remittance advice (RA) A document received from an insurance carrier that lists patients, dates of service, charges, and the amounts paid and denied.

Handling Transactions

During a typical day, many patients visit a medical practice such as the Family Care Center. For each patient, the assigned provider will perform specific procedures related to that patient's condition. The physician records the procedures performed on each patient's encounter form. In turn, the billing assistant uses the completed encounter form as a source document to enter the procedure charge(s). A **charge** is the cost that a medical office assigns to a procedure.

A billing assistant must process payments on a daily basis. Insurance companies send payments for covered procedures on behalf of patients. These payments are transmitted electronically or mailed to the practice. Some patients make copayments at the time of a visit. Others send their payments by mail later, after insurance company payments have been received.

On occasion, it may be necessary to make an adjustment to a patient's account. An **adjustment** is an amount (positive or negative) entered to correct a patient's account balance. An adjustment might be required, for example, if an insurance company did not pay as much as expected.

As you will learn in this chapter, the NDCMedisoft™ program can be used to process several different kinds of transactions—charges, payments, and adjustments. First, you will learn how to record and enter procedure charges. Then you will learn how to process payments and adjustments.

Recording and Entering Procedure Charges

For every procedure performed, a billing assistant must make sure that the appropriate information is properly recorded in the patient accounting system. Recording the procedure charges properly is an important first step in the billing cycle. Activities such as managing cash flow, collecting payments, processing claims, and generating reports all depend on this first step.

Reviewing a Completed Encounter Form

As you learned in a previous chapter, the completed encounter form is the primary source of information that a billing assistant needs to record procedure charges. As shown in Figure 5-1, this completed encounter form includes the following information: provider's name, patient's name and

9/4/09 DATE Hiro Tanaka PATIENT NAME	Family Care Center 285 Stephenson Boulevard Stephenson, OH 60089 614-555-0100	Dr. Katherine Yan PROVIDER TANH1000 CHART #
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REFERRING PHYSICIAN	NPI	NOTES
AUTHORIZATION #		
DIAGNOSIS		
PAYMENT AMOUNT		

848.9

\$10 copayment, check #3022

Figure 5-1 Completed Encounter Form

chart number, date the services were performed, procedures performed, payments received, diagnosis, and other information.

After a physician completes a patient examination, he or she will mark the procedures performed. As you may recall, the encounter form includes only the most common procedures provided by a medical office. If the physician performs a procedure not listed on the encounter form, he or she writes the procedure in on the form. In these instances, you will have to search for and enter the procedure code when processing a charge.

Most insurance carriers will not pay for treatment without a diagnosis. The diagnosis is the doctor's opinion of a patient's condition. Therefore, the doctor must record this information on the encounter form so that it can be included as part of the procedure charge. When you enter the diagnosis, you will use the ICD-9 codes as a standard way to record this information.

Entering a Procedure Charge

After you review a patient's encounter form, you are ready to enter the transaction to record the procedure charge. You will process all charge transactions using the Enter Transactions option in the Activities menu. Selecting this option displays the Transaction Entry window. As you can see in Figure 5-2, transactions are case-based. That is, every transaction, including charges, must be assigned to a patient and a specific case. You cannot enter or edit a transaction until you select a chart number and a case number.

When you enter procedure charges, you must enter a separate transaction for each charge rather than combining all procedures into a single

Figure 5-2 Transaction Entry Dialog Box

Charges:		Visit: 7 of A 100		Annual Deductible: 0.00 YTD: \$0.00		Account Total: \$0.00											
Date	Procedure	Units	Amount	Total	Diag 1	Diag 2	Diag 3	Diag 4	1	2	3	4	Provider	POS	TOS	Allowed	M1
7/8/2009	99212	1	39.60	39.60	401.9				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	11	1	0.00	
7/8/2009	USLCOC	1	15.00	15.00	401.9				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	11		0.00	
* 9/7/2009		1	0.00	0.00	401.9				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1			0.00	

Figure 5-3 Charges Area within the Transaction Entry Dialog Box

transaction. This step is required because you must provide detailed information about each charge, including a description and an amount.

Once you enter a chart number and a case number, you can choose to enter a new transaction by clicking the New button in the Charges section of the dialog box (see Figure 5-3). When you click this button, the program creates a new transaction line. A **default** is an entry that automatically appears in a field and will be accepted unless you change the information. By default, the program enters the current date (the NDCMedisoft™ Program Date) and other select information for the new transaction. Usually you do not have to change the default entries.

To record a procedure charge, you must identify the procedure by using its corresponding CPT code. When you enter a procedure code, the NDCMedisoft™ program automatically fills in the fields based on the information stored in the Procedure data file. This information can be edited if necessary.

After you record a procedure code, you can enter additional information in the M1 (Modifier 1) field to further define a procedure. **Modifiers** are one- or two-digit codes that allow more specific descriptions to be entered for the services the physician performed. For example, a modifier needs to be used when the circumstances require services beyond those normally associated with a particular procedure code. A common modifier is -90, which indicates that the procedure is performed by an outside laboratory. If a modifier is indicated on an encounter form, it is entered in the Modifier box—M1. Fields for entering up to three additional modifiers can be added if required.

Although most procedures take place in the office, some patients may receive inpatient or outpatient care. **Inpatient** refers to care provided when patients must stay overnight at a hospital. **Outpatient**, on the other hand, refers to medical care provided at a hospital when the patient does not stay overnight. Use the POS (place of service) field to enter a code that identifies the location for the procedure. These standard numerical codes are used:

- 11 Provider’s office
- 21 Inpatient hospital
- 22 Outpatient hospital
- 23 Hospital emergency room

The Diag 1, 2, 3, and 4 boxes and the Diagnosis check boxes are used to link a procedure to a particular diagnosis. If a diagnosis has been entered in the Diagnosis tab of the Case folder, it will also appear here.

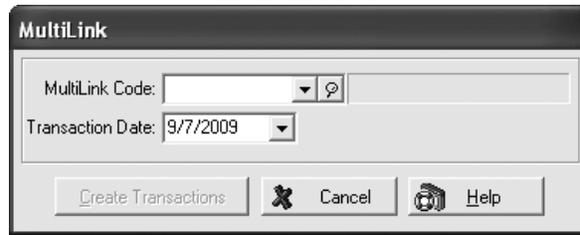


Figure 5-4 MultiLink Dialog Box

NDCMedisoft™ provides a feature that saves time when entering multiple CPT codes that are related. A **MultiLink code** is a single code that incorporates a number of procedure codes that relate to a single activity. Using MultiLink codes saves time by eliminating the need to enter related multiple procedure codes one at a time.

For example, suppose a MultiLink code is created for the procedures related to diagnosing strep throat. The code is labeled “STREP,” and includes three procedures: 99212 Office Visit, Low; 87430 Strep screen; and 85025 CBC w/diff. When the MultiLink code STREP is selected, all three procedure codes are automatically entered by the system, eliminating the need to make three different entries. The MultiLink feature saves time by reducing the number of procedure code entries, and it also reduces omission errors. When procedure codes are entered as a MultiLink, it is impossible to forget to enter a procedure, since all of the codes that are in the MultiLink group are entered automatically.

Clicking the MultiLink button in the Transaction Entry dialog box displays the MultiLink dialog box (see Figure 5-4). After a MultiLink code is selected from the drop-down list, the Create Transactions button is clicked. The codes and charges for each procedure are automatically added to the list of transactions in the Transaction Entry dialog box.

Once you record the required information, the last step is to save the information you entered. Then, if there is another procedure charge, you repeat the same steps. After you record the last procedure, you can review the transaction data provided in the Estimates area in the top right corner of the dialog box. The Estimates area includes the procedure charge total, adjustments, payments, and account total. Information is also included regarding the estimated amount to be paid by the patient’s insurance company.

Computer Practice 5-1: Entering a Patient Charge Transaction (Cedera Lomos)

The encounter form for Cedera Lomos is shown in Source Document 8. Record the procedure charge and the diagnosis by following these steps:

1. Start the NDCMedisoft™ program.
2. Set the program date to September 4, 2009.
3. Restore the backup file that you created at the end of Chapter 4.

4. Review the information shown on the encounter form in Source Document 8. As you can see, there is one procedure charge (OF—New Patient, Moderate) and a diagnosis (473.9) written on the encounter form.
5. Click Patients/Guarantors and Cases on the Lists menu. Enter *L* in the Search For box. Notice that the list of patients is reduced to those with chart numbers beginning with the letter *L*. With the Cedera Lomos line selected, click Persistent cough in the Case section of the window. Then click the Edit Case button.
6. Select the Diagnosis folder, and enter the diagnosis code from the encounter form in the Default Diagnosis 1 box. Then click the Save button.
7. Close the Patient List window, and select the Enter Transactions option from the Activities menu, or use the toolbar to select this option. When you choose this option, the Transaction Entry window appears.
8. In the Transaction Entry window, select Cedera's chart number, and then choose the case number for this visit. An Information window appears, reminding you that Cedera is allergic to penicillin. Click the OK button.
9. Click the New button in the Charges section of the dialog box to begin entering the procedure charge for Cedera Lomos.
10. Accept the default information shown in the date field. The date should be September 4, 2009.
11. Enter the procedure code (99204) for OF—New Patient, Moderate—in the Procedure field. Notice that the charge amount (\$147.00) is automatically filled in when you enter the procedure code and press Tab.
12. Review the information in the other fields:
 - Accept 1 for the units.
 - Verify that the Amount field is set to \$147.00. If not, first check that you entered the procedure code correctly. If it is correct, accept the amount.
 - For each charge, you need to identify a corresponding diagnosis. Since there was only one diagnosis, the program automatically selects it. Verify that the first Diagnosis check box is selected.
 - Accept the provider information. This field should already include the provider code for Dr. Yan.
 - Accept the information in the POS (place of service) field. The code should be set to 11, since this is the default code.
 - Accept the information in the TOS (type of service) field. Code 1 (medical care) is the default code for this field.
13. Click the Save Transactions button to save your work. A Date of Service Validation window will appear, reminding you that you

have entered a future date. In response to the question about saving the transaction, click the Yes button. (You will see this window whenever you save a transaction in this text, as the exercises take place in the future.)

14. When you save a transaction, the NDCMedisoft™ program updates the information (policy, charges, payments, last visit, and account total) shown in the top portion of the Transaction Entry screen. (See Figure 5-5.)
15. Close the Transaction Entry window.

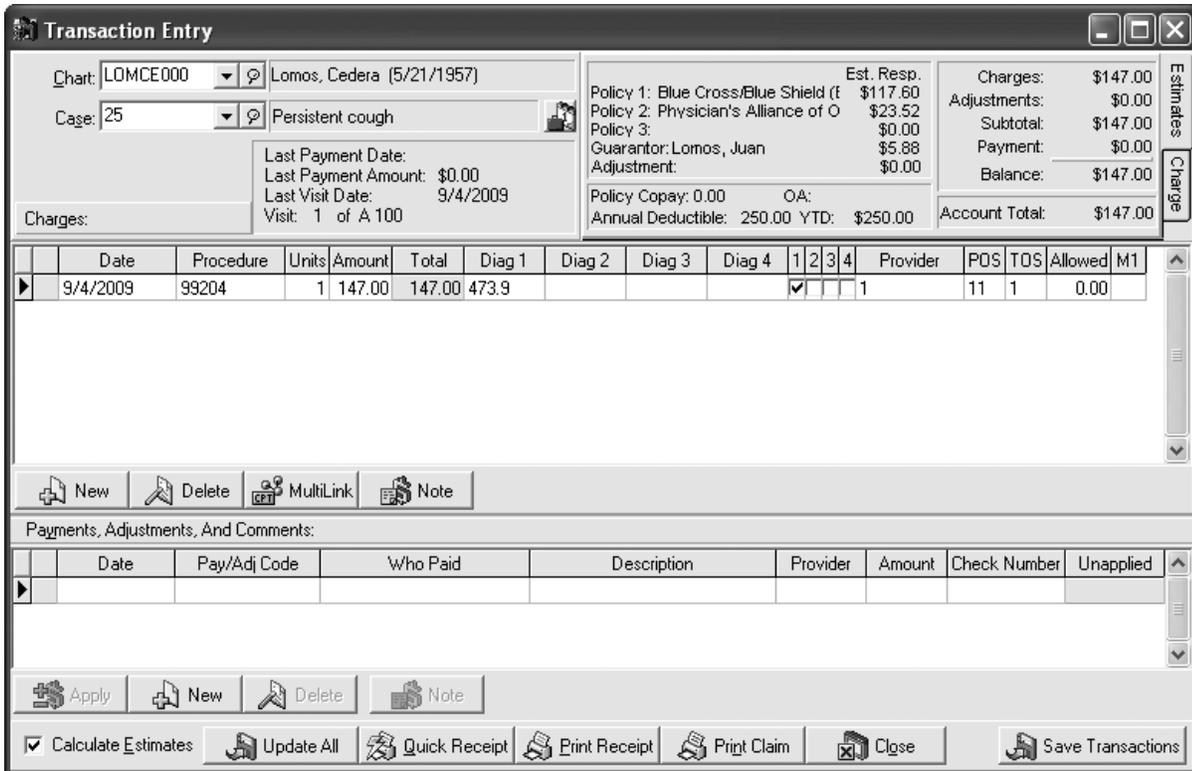


Figure 5-5 *Saved Transaction with Updated Information*

Computer Practice 5-2: *Entering a Patient Charge Transaction (Lisa Lomos)*

Record the procedure charge information for Lisa Lomos. The encounter form completed by Dr. Yan is shown in Source Document 9. As you can see, three procedures and two diagnoses are marked on this encounter form. The v20.2 (health checkup, infant or child) diagnosis is linked to the preventive procedure. The v06.4 (immunization—comb. of disease—MMR) diagnosis is linked to the injection and the MMR (measles, mumps, and rubella) procedures.

1. The date is still September 4, 2009. Select Patients/Guarantors and Cases from the Lists menu.
2. Select the chart number for Lisa Lomos, and open the case for her well-child checkup.

3. Click on the Diagnosis tab. Enter the v20.2 diagnosis as Default Diagnosis 1. Enter the other diagnosis as Default Diagnosis 2. Click the Save button.
4. Close the Patient List dialog box, and then select the Enter Transactions option from the Activities menu.
5. Select the chart number for Lisa Lomos, and verify that the well-child checkup case is selected.
6. Click the New button in the Charges section to record a new charge transaction.
7. Enter the charges from the encounter form. Leave the other default fields as they are unless you have specific information to change them.
8. Save the charge transactions.
9. Check your work. The account total should be \$255.00 for Lisa Lomos.

Computer Practice 5-3: *Entering a Patient Charge and Adding a New Case and Insurance Carrier (Leila Patterson)*

Review the encounter form for Leila Patterson shown in Source Document 10. Leila is an established patient who made an appointment to have her cholesterol checked. During the office visit, Dr. Yan performed two procedures for this patient, both of which are linked to the one diagnosis. Note: Ms. Patterson has changed insurance carriers, so she has completed a new patient information form (Source Document 11). Her new carrier is not in the database, so you will need to enter it based on the information on Source Documents 11 and 12.

Follow the steps below to enter a patient charge. You will create a new case and add an insurance carrier in the process.

1. Verify that the NDCMedisoft™ Program Date is set to September 4, 2009.
2. Select Leila Patterson's chart number in the Transaction Entry window. When you do so, a default case code does not appear since there are no case records entered for Leila.
3. Move to the Case field.
4. As a shortcut, press the F8 function key to begin entering a new case. Another way to enter a new case would be to use the Patients/Guarantors and Cases option in the Lists menu, but the shortcut is much faster.
5. Complete the Description field in the Personal case folder.
6. Verify that A is listed in the Price Code field in the Account tab.
7. Enter the diagnosis in the Diagnosis tab.

8. Click the Policy 1 tab. When you try to select Patterson's insurance carrier, Oxford, you realize it is not in the list of carriers. To add Oxford to the database, use the F8 shortcut key to display the Insurance Carrier (new) dialog box. Use the information on Source Document 12 to complete the tabs. In the EDI, Codes tab, create the Default Payment Application codes at the bottom of the dialog box. Click in each box, and press F8 to display the Procedure/Payment/Adjustment (new) dialog box. The codes should be named as follows:

OXFPAY	Oxford Payment
OXFADJ	Oxford Adjustment
OXFWIT	Oxford Withhold
OXFDED	Oxford Deductible
OXFTAK	Oxford Take Back

Before you can complete the PINS tab, you must save the data on the new insurance carrier. When the Insurance Carrier dialog box for Oxford closes, you can open it again by clicking Insurance Carriers on the Lists menu, selecting the Oxford entry, and then clicking the Edit button. When you have finished your entries in the PINS tab, save your work, and close the Insurance Carrier List dialog box.

9. Back in the Policy 1 tab, you can now select Oxford from the list of insurance carriers. Fill in the other information in the Policy 1 tab using Source Documents 11 and 12. Dr. Yan does accept assignment for Oxford patients, so be sure to check that box. Also be sure to complete the Insurance Coverage Percents at the bottom of the dialog box. Oxford pays 80 percent of covered services.
10. Complete the new case entry by clicking the Save button.
11. In the Transaction Entry dialog box, enter both procedure charge transactions, and save your work. Accept the defaults for the information not provided on the encounter form. Ms. Patterson's account total should be \$65.00.

Computer Practice 5-4: *Entering a Patient Charge and Adding a New Case (Ellen Barmenstein)*

Review the encounter form for Ellen Barmenstein shown in Source Document 13. Follow these steps to record her transactions.

1. Verify that the NDCMedisoft™ Program Date is set to September 4, 2009.
2. Select Ellen Barmenstein's chart number in the Transaction Entry window.
3. A case number appears, but today's visit is for another reason. Create a new case for this office visit. Enter a description in the Personal folder. Enter the diagnosis listed on the encounter form.

In the Policy 1 folder, enter Ms. Barmenstein as the policyholder. She is covered by Blue Cross/Blue Shield (policy: 13056; group: K1047; accept assignment: yes; annual deductible: 250; insurance coverage percents A-H: 80). Save the case information.

4. Enter the procedure charges.
5. Save your work. Barmenstein's account total should be \$96.00. This includes unpaid charges from her August 29 visit. Her case balance should be \$52.00.
6. Close the Transaction Entry dialog box.

✓CHECKPOINT

1. Which application menu option do you use to enter a procedure charge?
2. What document is the primary source of information that is used to record a procedure charge transaction?
3. What two pieces of information must be entered before you can enter a procedure charge?

Entering Payments

The next step is the processing of payments received from patients and insurance companies. Payments are entered in two different areas of the NDCMedisoft™ program: the Transaction Entry dialog box and the Deposit List dialog box. Practices may have different preferences for how payments are entered, depending on their billing procedures. In this chapter, you will be introduced to both methods of payment entry.

Patient payments—payments made to the practice directly by the patient or guarantor—are entered in the Transaction Entry dialog box. This method is convenient for entering a patient copayment made at the conclusion of an office visit.

Insurance payments—payments made to the practice on behalf of a patient by an insurance carrier—are entered in the Deposit List dialog box. The Deposit List feature is more efficient for entering large insurance payments that must be split up and applied to a number of different patients.

Patient Payments

Patient payments, like charges, are case-based. You must enter a patient's chart number and a case number before you can apply a payment to a patient's account. To record a patient payment, you must choose to enter a new transaction and then complete the required fields in the Payments, Adjustments, and Comments section of the Transaction Entry dialog box (see Figure 5-6 on page 86). You must enter a transaction date, payment/adjustment code, provider, and amount. You must also indicate who made the payment. The payment may be a copayment due at the time of the office visit or a check sent in the mail.

Payments, Adjustments, And Comments:								
	Date	Pay/Adj Code	Who Paid	Description	Provider	Amount	Check Number	Unapplied
▶	7/8/2009	USLCOP	Sampson, Caroline -Guarant		1	-15.00		\$0.00
	7/31/2009	USLPAY	U.S. Life -Primary	#6789012 U.S. Life	1	-39.60	6789012	\$0.00

Apply New Delete Note

Figure 5-6 Payments, Adjustments, and Comments Section of the Transaction Entry Dialog Box

One of the final steps in recording a payment is to apply the payment amount to one or more procedure charges. A typical charge could include two procedures (\$60 and \$25, for example). If a patient sent a check for \$85, you must apply \$60 to the first procedure and the remainder (\$25) to the other procedure.

Printing a Walkout Receipt

After you complete a patient payment transaction, the NDCMedisoft™ program makes it easy to print a receipt for a patient. Just click the Print Receipt button to print a detailed receipt similar to the one shown in Figure 5-7. The patient information (name, diagnosis, charges, and amounts) pertaining to the case appears on the printout.

Computer Practice 5-5: Recording a Charge and Copayment from a Patient (Hiro Tanaka)

Review the encounter form for Hiro Tanaka shown in Source Document 14. At the time of the office visit, Tanaka's father paid the \$10 copayment with check number 3022. Follow these steps to record the charge and payment for this patient, and then print a walkout receipt.

1. Verify that the NDCMedisoft™ Program Date is set to September 4, 2009.
2. Select the Enter Transactions option from the Activities menu, or use the toolbar to select this option.
3. Select Hiro Tanaka's chart number.
4. Since there is only one case for this patient, the case number automatically appears when you enter the chart number. If there were more than one case, you would have to select the appropriate case to see the corresponding charges. The program defaults to the most recent case.
5. Click the New button in the Charges area of the dialog box, and enter the procedure charge from the encounter form. You will also need to enter a charge for the insurance copayment—in this case, the code for the copayment charge is TRICOC—Tricare Copayment Charge. Click the New button again, and enter the copayment charge.

Family Care Center
 285 Stephenson Boulevard
 Stephenson, OH 60089
 (614)555-0100

Page: 1

Patient: Hal Sampson
 3 Broadbrook Lane
 Stephenson, OH 60089

Chart #: SAMHA.000
Case #: 15

Instructions:

Complete the patient information portion of your insurance claim form. Attach this bill, signed and dated, and all other bills pertaining to the claim. If you have a deductible policy, hold your claim forms until you have met your deductible. Mail directly to your insurance carrier.

Date	Description	Procedure	Modify	Dx 1	Dx 2	Dx 3	Dx 4	Units	Charge
7/8/2009	OF--Established patient, low	99212		401.9				1	39.60
7/8/2009	USLife Copayment Charge	USLCOC		401.9				1	15.00
7/8/2009	USLife Patient Copayment	USLCOP						1	-15.00

Provider Information

Provider Name:	Katherine Yan M.D.
License:	84021
Commercial PIN:	60-3872-8
SSN or EIN:	810-99-1110

Total Charges:	\$ 54.60
Total Payments:	-\$ 15.00
Total Adjustments:	\$ 0.00
Total Due This Visit:	\$ 39.60
Total Account Balance:	\$ 0.00

Assign and Release: I hereby authorize payment of medical benefits to this physician for the services described above. I also authorize the release of any information necessary to process this claim.

Patient Signature: _____

Date: _____

Figure 5-7 Sample Walkout Receipt

6. Now click the New button in the Payments, Adjustments, and Comments section to enter the payment transaction.
7. Select TRICOP—Tricare Patient Copayment—in the Pay/Adj Code box, and press Tab. Notice that the program automatically completes the Who Paid, Provider, and the Amount fields for you.
8. Record the check number in the Check Number field.
9. Click the Apply button to display the Apply Payment to Charges window, so that you can apply the \$10.00 payment to the appropriate procedure charges.
10. Enter the payment amount in the This Payment field shown in the Apply Payment to Charges window for the 9/4/09 TRICARE copayment charge of \$10.00. Click the Close button to close the Apply Payment to Charges window after you record the payment.
11. Click the Save Transactions button to save the data that you entered.
12. Review the information in the updated Transaction Entry window. If there are any errors, highlight the transaction, and then edit the entry. Notice that the payment is now shown in the lower half of the window. The payment appears as a negative amount (−10.00).
13. Now print a walkout receipt by clicking the Print Receipt button. In the box that appears, accept the default selection—Walkout Receipt (All Transactions). Then click the OK button.
14. In the Print Report Where? dialog box, accept the default selection to preview the report on the screen. Then click the Start button.
15. Accept the default date entries of 9/4/2009 in the Data Selection Questions box, and press OK.
16. Review the walkout receipt that appears on your screen. It should list the charge and payment transactions for September 4, 2009. When you are finished, close the Preview Report window.
17. Close the Transaction Entry dialog box.

Computer Practice 5-6: *Recording a Charge and Copayment, Creating a New Case, and Printing a Walkout Receipt (Elizabeth Jones)*

Review the encounter form for Elizabeth Jones (Source Document 15). After her office visit, Jones paid the \$15 copayment with check number 609. Follow these steps to record the charge and payment and print a walkout receipt.

1. Verify that the NDCMedisoft™ Program Date is set to September 4, 2009.
2. Select the Enter Transactions option from the Activities menu, or use the toolbar to select this option.

3. Select Elizabeth Jones's chart number.
4. A case number appears, but today's visit is for another complaint. You could begin a new case by clicking in the Case field and pressing F8. However, there is a faster way to create a new case for an existing patient. Click Patients/Guarantors and Cases on the Lists menu.
5. Search for Jones in the list of patients. Then click the Case button.
6. Click the Copy Case button at the bottom of the dialog box. A new case appears, complete with all the information from the existing case. There is no need to reenter all the insurance information: it is entered for you. The only fields you need to change in this case are the Description field and the Diagnosis field. Enter the case description (use the diagnosis as the description), and enter the diagnosis in the Diagnosis tab.
7. Save the newly created case, and close the Patient List window. You are returned to the Transaction Entry window, with the new case active. Note: If the new case is not yet displayed, click the Update All button at the bottom of the Transaction Entry dialog box. Click Yes to re-save all the transactions if necessary. Then select the new case from the drop-down list in the Case field.
8. Click the New button in the Charges area, and enter the charge from the encounter form. Since a copayment is required by the patient's insurance company, you also need to enter a copayment charge. For this case, the code is USLCOC—U.S. Life Copayment Charge. Click the New button again, and enter the copayment charge.
9. Click the New button in the Payments, Adjustments, and Comments section. Select USLCOP—U.S. Life Patient Copayment—in the Pay/Adj Code box, and then press Tab.
10. Record the check number in the Check Number field.
11. Click the Apply button so that you can apply the \$15.00 payment to the appropriate procedure charges.
12. Enter the payment amount in the This Payment field shown in the Apply Payment to Charges window. Apply the payment to the copayment charge for 9/4/09.
13. Click the Close button to close the Apply Payment to Charges window after you record the payment. Then save the transactions.
14. Review the latest information in the Transaction Entry window. If there are any errors, highlight the transaction, and then edit the entry. Notice that the payment is now shown in the lower half of the window. The payment appears as a negative amount (–15.00).
15. Using the steps you practiced in the previous exercise, preview a walkout receipt on your screen. It should list the charge and payment transactions for September 4, 2009. When you are finished, close the Preview Report window.

Computer Practice 5-7: Using MultiLink Codes and Entering Modifiers (Sarina Bell)

Review the encounter form for Sarina Bell (Source Document 16). You will use a single MultiLink code to record the procedures. You will also enter a modifier for one of the procedure codes. Bell's father, Herbert, paid the \$15 copayment with check number 309. Follow these steps to record the charge and payment, and then print a walkout receipt.

1. Verify that the NDCMedisoft™ Program Date is set to September 4, 2009.
2. Open the Transaction Entry dialog box, if it is not already open.
3. Select Sarina Bell.
4. Create a new case. Complete the Personal, Account, Diagnosis, and Policy 1 tabs. Since Sarina's father, Herbert, is the guarantor, you can find the account and insurance information by looking at one of his cases.
5. Save the newly created case, and close the Patient List window if it is open. You are returned to the Transaction Entry window, with the new case active.
6. Click the MultiLink button. In the MultiLink Code box, choose STREP. Confirm that the Transaction Date entry is 9/4/2009 (if it is not, change the date to 9/4/2009). Then click the Create Transactions button. Notice that the program automatically entered all three codes for the office visit—99212, 87430, and 85025.
7. Now enter **90** in the first modifier (M1) box for procedure code 85025 (CBC w/diff).
8. Enter the \$15.00 copayment charge for U.S. Life.
9. Click the New button in the Payments, Adjustments, and Comments area to enter the \$15.00 payment. Then apply the payment to the appropriate charge.
10. Save the transactions, and print a walkout receipt.
11. Close the Transaction Entry dialog box.

Computer Practice 5-8: Recording a Payment Received in the Mail (Caroline Mitchell)

Family Care Center received check number 3024 in the amount of \$60 from Caroline Mitchell for her June 15, 2009, office visit. Since she has not met her deductible, her insurance carrier, Blue Cross/Blue Shield, did not pay the claim. Enter the payment in the Transaction Entry tab.

1. Verify that the NDCMedisoft™ Program Date is set to September 4, 2009.
2. Open the Transaction Entry dialog box.

3. Select Mitchell's chart number.
4. Since there is only one case, you do not have to select the appropriate case to see the corresponding charges.
5. Enter the payment, using code 02—Patient payment, check—and apply it to the June 15, 2009, charge.
6. Save your work.
7. Preview a walkout receipt.
8. Close the Preview window.
9. Close the Transaction Entry dialog box.

Insurance Payments

Information about payments from insurance carriers is mailed or electronically transmitted to a physician through an electronic remittance advice. A **remittance advice (RA)** lists patients, dates of service, charges, and the amount paid or denied by the insurance carrier. Most RAs also provide explanations of unpaid charges. Sometimes a paper check is attached to the RA; in other cases the payment is deposited directly in the practice's bank account. Payment information located on the RA is entered in the Deposit List dialog box (see Figure 5-8). This dialog box is opened by clicking Enter Deposits/Payments on the Activities menu.

The first thing you need to do when entering a deposit is to enter the date of the deposit in the Deposit Date field. Once the correct date has been entered, click the New button to enter specific information about the deposit in the Deposit dialog box (see Figure 5-9 on page 92). First, select the option in the Payor Type field to indicate whether the payment is a patient, insurance, or capitation payment. Then you need to record the payment method, the check number, a description, the amount of the payment, and the insurance carrier that made the payment. When the insurance carrier field is completed, NDCMedisoft™ automatically



Figure 5-8 Deposit List Dialog Box

Figure 5-9 *Deposit Dialog Box*

completes the code fields at the bottom of the dialog box. After you have completed the entries and checked your work for accuracy, click the Save button. Your entry now appears in the Deposit List dialog box.

Insurance payments must be applied to specific patients, cases, dates, and procedures. To do this, click the Apply button in the Deposit List dialog box. Notice that the amount of the payment appears in the upper right corner under the heading Unapplied. As you apply payments, this amount will decrease until it reaches zero. To begin applying the payment, select a patient's chart number in the For field. The program then lists that patient's unpaid charges. Using information on the RA, enter the appropriate payment amounts in the Payment column for each procedure charge, and press the Tab key. When you are finished entering payments for that patient, save your work by clicking the Save Payments/Adjustments button.

If the payment is for more than one patient, you can continue applying the payment by selecting the next patient in the For field. Remember to click the Save Payments/Adjustments button each time you finish working with a specific patient. You should apply payments until the unapplied amount for the deposit is zero.

Computer Practice 5-9: Recording Payments from an Insurance Carrier

Family Care Center received an RA from Blue Cross/Blue Shield for several patients. Enter the deposit, and apply the payments using the information from Source Document 17.

1. Change the NDCMedisoft™ Program Date to September 7, 2009.
2. Click Enter Deposits/Payments on the Activities menu. The Deposit List dialog box is displayed. Verify that the correct date appears in the Deposit Date field.

3. Click the New button. A Confirm dialog box appears, indicating that you have entered a future date and asking whether you want to change the date. Click the No button. Then click the New button again. The Deposit (new) dialog box is displayed.
4. Confirm that the entry in the Deposit Date box is 9/7/2009.
5. Since this is a payment from an insurance carrier, make sure that the selection in the Payor Type box is Insurance.
6. Enter Electronic in the Payment Method box.
7. Enter 36094251 in the EFT Tracer box.
8. The Description/Bank No. field can be left blank.
9. Key 575.20 in the Payment Amount box.
10. Accept the default entry (A) in the Deposit Code box.
11. Select 4—Blue Cross/Blue Shield—from the Insurance drop-down list. When an insurance carrier is selected in the Insurance box, NDCMedisoft™ automatically enters codes in the remaining fields.
12. Click the Save button to save the entry. The Deposit dialog box closes.
13. The Deposit List box reappears. The insurance payment appears in the list of deposits. Now the payment must be applied to the specific procedure charges to which it is related.
14. With the Blue Cross/Blue Shield payment entry highlighted, click the Apply button. The Apply Payment/Adjustments to Charges dialog box appears (see Figure 5-10).

Apply Payment/Adjustments to Charges

Blue Cross/Blue Shield Ins 1: List Only... Unapplied Amount: \$575.20
 For: Ins 2: View So Far... Show Unpaid Only
 Ins 3:

Documentation Payment Procedure Codes: BCBPAY BCBDEL BCBWIT BCBADJ BCBTAK

	Date	Procedure	Charge	Remainder	Payment	Deductible	Withhold	Allowed	Adjustment	Take Back	Complete
▶											<input type="checkbox"/>

Totals: \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00

 Alert When Claims Are Done Bill Remaining Insurances Now Print Statement Now

Figure 5-10 Apply Payment/Adjustments to Charges Dialog Box

15. Key *F* in the For box, and press Enter to select Stanley Feldman, since he is listed on the RA. All the charge entries for Feldman that have not been paid in full are listed.

16. Since this payment is for the 93015 procedure completed on 7/28/09, that is the line in which the payment will be applied. Notice that the cursor is flashing in the Payment box.
17. Key **260** in the Payment box, and press Enter. NDCMedisoft™ automatically places a minus sign before the amount. Continue to press Enter until the amount listed in the Remainder column adjusts. Notice that once the payment was applied, the Complete box to the right of the dialog box was checked.
18. Click the Save Payments/Adjustments button to save your entry. An Information box appears, stating that the claim has been marked done for the primary insurance carrier. Click the OK button. The dialog box is cleared of the current transactions and is ready for a new transaction. Notice that the Unapplied Amount in the upper right corner of the dialog box has been reduced to \$315.20.
19. Select Marion Johnson from the For list, and apply the Blue Cross/Blue Shield payments to her July 15, 2009, and August 18, 2009, charges. When you are done, save your work. Notice that the Unapplied Amount is now \$70.40.
20. Select James Smith, and apply the payments to his July 8, 2009, and August 17, 2009, charges. Before you click the button to save your work, notice that the Unapplied Amount is now 0.00. Then save your work.
21. Click the Close button to exit the Apply Payment/Adjustments to Charges dialog box.

Adjustments

Occasionally, it may be necessary to make an adjustment to a patient's account. For example, an insurance company may pay for a lesser procedure than the one submitted by the practice. Adjustments are noted on RAs received from the carriers.

Computer Practice 5-10: *Entering an Adjustment*

Use the information on Source Document 18 to enter an adjustment for Ellen Barmenstein's September 4, 2009, office visit.

1. Open the Deposit List dialog box, if it is not already open.
2. Verify that the Deposit Date is September 7, 2009.
3. Click the New button.
4. Enter the information about the payment in the Deposit dialog box, and click the Save button.
5. With the payment highlighted in the Deposit List window, click the Apply button.
6. Select Barmenstein's chart number.

7. Enter the payment for the charge on August 28, 2009.
8. Enter the zero payment for the first charge listed (99211) for September 4, 2009, and then press Enter.
9. Apply the deposit to the other two charges.
10. Save the entry, and close the Apply Payment/Adjustments to Charges dialog box.
11. Close the Deposit List dialog box.

✓CHECKPOINT

4. Which application menu option do you use to enter a patient payment?
5. Which option do you use to assign a patient payment to a particular procedure charge?
6. Which application menu option do you use to enter an insurance carrier payment?

Computer Practice 5-11: Exiting the Program and Making a Backup Copy

Practice quitting the software and making a backup copy of your work by following these steps:

1. Choose Exit from the File menu, or use the toolbar to select this option.
2. Insert your working copy of the Student Data Disk in Drive A:.
3. Click the Back Up Data Now button.
4. In the Destination File Path and Name box, enter *A:\PBChap5.mbk*.
5. Click the Start Backup button. When the Backup Complete box appears, click OK. The NDCMedisoft™ program shuts down.
6. Remove the floppy disk from Drive A:.
7. Store your disk in a safe place.

CHAPTER 5 Review

DEFINE THE TERMS

Write a definition for each term: (Obj. 5-1)

1. Charge

2. Outpatient

3. MultiLink code

4. Insurance payments

5. Modifiers

6. Default

7. Patient payments

8. Inpatient

9. Adjustment

10. Remittance advice (RA)

CHECK YOUR UNDERSTANDING

11. What are the steps required to record a procedure charge? (Objs. 5-2, 5-3)

12. How do you record a payment from a patient? Why is it necessary to apply the payment to specific charges? (Obj. 5-4)

13. To enter a procedure charge, do you have to identify the patient's chart number and case number? What steps are required if a case has not been set up? (Obj. 5-3)

14. What information is printed on a walkout receipt? (Obj. 5-5)

15. Where is an adjustment entered? (Obj. 5-6)

CRITICAL ANALYSIS EXERCISE

16. Why does the NDCMedisoft™ program organize transactions based on patient cases? (Objs. 5-3, 5-4)
