

NEXTGEN® EPM Unapplied Credits

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Overview

An unapplied credit is a patient payment that is entered into the system without being applied to a specific charge with a patient balance.

Examples:

- Patient co-payments collected at check-in entered prior to the charges.
- Patient payments entered against charges that do not have a patient balance.

<u>Setup</u>

System Administrator - Security

Users entering unapplied credit transactions will need to have the following security access rights:

• Operations > Transactions > "Unapplied Payment Addition" = Yes

🕼 NextGen System Administrator	30
File Edit View Help	
PAS Enterprise RAS Healthcare Associates PC A/R & Collections A/R & Collections Administrators Billing Manager Clinical Staff Front Desk - Manager Clinical Staff Front Desk - Manager Transactions Batch Process Date Override Batch Process Date Override Resolution Workflow Workflow List security items specific to these products (Alb List security items specific to these products (Alb Clinical Staff Front Desk - Manager Transactions Batch Process Date Override Batch Process Date Override Resolution Workflow Workflow Update	
Successfully Connected to the Database NGDemo	

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NEXTGEN® EPM Unapplied Credits

File Maintenance > System Master Files > Transaction Codes

- Six transaction codes will be used by the system for unapplied credits. The codes are pre-predefined as follows:
 - o ZApplied Encounter/Invoice Credit
 - ZApplied Encounter/Invoice Debit
 - ZApplied Account Credit
 - ZApplied Account Debit
 - o ZTransfer Credit to Account
 - ZReceive Credit on Account

NOTE: The "Z" in the description is for alphabetic display purposes only. To a user, the codes will be at the bottom of the list. These system generated transaction codes should not be selected by a user when entering transactions on the Payment Entry window.

Practice Preferences > Transactions Tab

- The six transaction codes are attached in Practice Preferences > Transactions tab.
- Select the "Utilize unapplied credit as payment" checkbox.

Practice Preferences	
Chart Appt Scheduling Statements Invoices Itemized Bills Libraries Printing Specialty Billing Imaging External MPI General Alerts Data\Fee Ticket Tasks Provider Contract Edits ERA Budget Accounts Forms Transactions Reports Encounters AutoFlow Default Transaction Codes	1 I
Patient Adjustment Account Adjustment	
Applied Encounter/Invoice Credit Applied Account Debit ZApplied Encounter/Invoice C ZApplied Account Debit ZApplied Encounter/Invoice C	
Applied Encounter/Invoice Debit Transfer Credit to Account Bad Debt Debit Image: Credit To Account Image: Credit To	
Applied Account Credit Receive Credit on Account Void Charge ZApplied Account Credit Image Image Image	
Reason Codes Uptions Urite Off Remaining Patient Balance Default Reason Code Library Write Off Remaining Patient Balance Default Reason Codes ZReason Code Adjustment - P Patient Reason Code Library Write Off Remaining Payer Balance Default Reason Codes ZReason Code Adjustment - Ir	
Payment Entry Defaults Image: Show all line items Image: Show all line items	



The six system generated transaction codes will be used automatically by the system as seen in the following examples.

Encounter vs. Account Unapplied Credits

• When a patient payment is entered into NEXTGEN® EPM without being applied to a specific charge with a patient balance, the user is prompted as follows:

"An unapplied amount will be created. Where would you like the unapplied amount to be applied? Encounter / Account / Cancel"

💐 Paymen	it Entry		_ 🗆 🛛
🐌 😴 🎕	ا 🏈 🕼 🎭 🖴 🚱 🌶 🗹 👙 ا	♦ ♦ ♦ ♦ 💰 🗐 Control Group: 0001 08/24/2006 Ray	•
Source/Acct:	Encounter 💌 Brady, Mike	Created:	1 of 1
Patient:	Brady, Bobby	A Modified	
Encounter:	184 01/04/2006 Unbilled 🔽	Claim Nbr:	
Payer:	Patient 💌	Reasons:	
Tracking:	Ck #837	Acct Credit: 🛛 🔽 Use Account Credit	
Date:	08/24/2006	Enc Credit: 🔲 Use Encounter Credit	
Pay Amt:	20.00	Pay Code: Patient Payment Check	
Adj Amt:	,	Adj Code:	
Next	<u>Open</u>	Save Cancel Delete Clear Becalc Xfer Credit	
Date	SIM Description CPT4 Rendering	Qty/Charge Allowed % Patien Adj Balance Status Reasons Deduct Ins 1 Ins 2 Ins 3 Pa	at Amt
		Unapplied Payment	
		An unapplied amount will be created. Where would you like the	
		unapplied amount to be applied?	
		Encounter Account Cancel	



• If *Encounter* is selected, the unapplied credit is stored on that encounter. The credit can later be applied to a charge on that same encounter after the charges have been entered.



• If *Account* is selected, the unapplied credit is store on the account. The credit can later be applied to a charge on any encounter for which the account is responsible.





Charge Posting

Prompt to Use Encounter Unapplied Credit

• A system alert displays when a user accesses the Charge Posting window for an encounter with an unapplied credit.

NOTE: The alert displays only if "Unapplied Payments" has been selected in Practice Preferences > Alerts tab.

🖑 Charge Posting			
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Patient: Encounter:	184 01/04/2006 Unbilled ▼ Process 7 / 112	Created: 0 of 0 Modified: Process Date:	
Svc Dates: Svc Item:	International processing statements and state		
CPT4:	Notes:		
Quantity: Unit/Override:	NextGen Alerts		
Extended:	Alerts	Close	
New	Open System Alerts Image: System Alerts Image: System Alerts	ote	
Date	Svc.lt Encounter 184 has a \$20.00 credit available	R Pat Amt Line Item B.	



- When the *first* charge is entered on the encounter and saved, the user is prompted to utilize the unapplied credit.
 - **Yes** The unapplied credit is automatically applied to the charge.
 - **No** The unapplied credit is not applied to the charge and the user will not be prompted again on any other charges added.

S Charge Posting			
📦 🚰 🚔 🕸 🥼 🗞 📾 🐼 🌶 🗹 👙 🗑 🏦 💲 🕪 🔶 🖻 🚮			
Patient: Brady, Bobby Encounter: 184 01/04/2006 Unbilled Process	Created: 1 of 1 Modified: Process Date: 8/25/2006		
Svc Dates: 01/04/2006 🔟 01/04/2006 🔟 Diag: 0 980.9 💽 Toxic effect, alcohol NDS 💽	Place Svc: Office		
Svc Item: 99202 🔽 Office/outpatient visit, new, es 🔹 😢 💽	Narrative:		
CPT4: 93202 - 6 6 9	Notes:		
Quantity: 1 0 V	Status: Unbilled		
Unit/Dveride: 70.00 70.00 Rendering: Kiley MD, James	Location: Aurora Office		
Extended: 70.00	Bill To: Cigna/Brady, Mike		
Next Open Save Cancel Delete Clear	Promote Demote		
Date Svoltem S Charge Payment Adjustment Ins 1 R	Ins 2 R Ins 3 R Pat Amt Line Item B.		
01/04/2006 99202 Office/outpatient visit, new, exp U 70.00	70.0		
NextGen			
Would you like to utilize the \$-20.00 encounter credit on this charge? Yes No			

NOTES: The user is prompted to utilize the unapplied credit only if;

- The user has an active transaction batch set.
- The patient has a copay amount entered in their insurance information. This will ensure that a portion of the first charge entered goes into the "Pat Amt" (patient amount) bucket.
- The prompt displays only for the first charge entered on the encounter. It does not display again for additional charges entered
- The prompt applies to encounter unapplied credits only. Users will never be prompted to apply an account unapplied credit during charge posting.



System Generated Transactions

• When the unapplied credit is utilized on the first charge entered on the encounter, two automatic system generated transactions are created in the user's batch ledger as follows;

ZApplied Encounter/Invoice Debit = \$20.00

Reduces the amount of the encounter unapplied credit from -\$20.00 to \$0.00

ZApplied Encounter/Invoice Credit = -\$20.00

Reduces the patient balance on the first charge by \$20.00

Net = **\$0.00**





Transfer Unapplied Credit

An encounter unapplied credit can be transferred to the account to be used on another encounter for which the account is responsible.

Transfer an Encounter Unapplied Credit to the Account

To transfer an unapplied credit:

- Access the *Payment Entry* window for the encounter that has the unapplied credit.
- Select Patient in the Payer field.
- The amount of the unapplied credit is displayed in the Enc Credit field.
- Click the Xfer Credit button to move the credit from the encounter to the account.

💐 Paymen	t Entry		
🍯 😴 🛱	i 🥹 🦚 🎭 🖴 🐼 🌶 🗹 🥔 I	• + → → 🐔 🗐	Control Group: 0001 08/24/2006 Ray
Source/Acct:	Encounter 💌 Brady, Mike		Created: 2 of 2
Patient:	Brady, Bobby	8	Modified
Encounter:	184 01/04/2026 Unbilled 🔽	Claim Nbr:	
Payer:	Patient	Reasons:	
Tracking:	Transfer \$20 Unapplied To Account	Acet Credit	nt Credit
Date:	08/24/2006	Enc Credit: 20.00	nter Credit
Pay Amt:		Pay Code:	
Adj Amt:		Adj Code:	
<u>N</u> ext	<u>O</u> pen	Save Cancel Delete Clear	Recalc Zfer Credit
Date	SIM Description CPT4 Rendering	Qty/Charge Allowed % Pay Adj Balance Status R	easons Deduct Ins 1 Ins 2 Ins 3 Pat Amt 🔬



System Generated Transactions

• When the encounter unapplied credit is transferred to the account, two automatic system generated transactions are created in the user's batch ledger as follows;

ZTransfer Credit to Account =	\$20.00	Reduces the amount of the encounter unapplied credit from -\$20.00 to \$0.00
ZReceive Credit on Account =	-\$20.00	Increases the amount of the account unapplied credit from \$0.00 to \$20.00

Net = **\$0.00**



Account:

		Account.		(in
ount Profile - Bra	dy, Mike			
Brady, Mike		1	1995 32	Account Number: 8
Properties	Encounters	Acct Summary	Budget	Notes
unt Information				
Date	Enc/Inv Name	△ Description	Charges Payments Adj/F	Ref Balance Tracking Desc
11/17/2004	Mike Brady	Patient Payment Check	-\$40.00	Ck765
04/11/2006	232 Cindy Brady	Patient Payment Credit Card	-\$20.00	Visa
🚞 03/18/2005	88 Marsha Brady	Patient Payment Credit Card	-\$20.00	Visa
11/17/2004	36 Bobby Brady	Patient Payment Credit Card	\$40.00	Payment Error
🚞 05/09/2005	88 Marsha Brady	Transfer Credit From Encounter		\$0.00
07/31/2006	35 Cindy Brady	ZApplied Account Credit	-\$20.00	
07/31/2006	Mike Brady	ZApplied Account Debit	\$20.00	Debit to acct fo
iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	87 Marsha Brady	ZBad Debt Credit	9	\$95.00 Reinstate from
iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	87 Marsha Brady	ZBad Debt Credit	4	\$95.00 Agency Bad Di
iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	36 Bobby Brady	ZBad Debt Credit	\$1	175.00 Reinstate from
05/11/2005	36 Bobby Brady	ZBad Debt Credit	-\$1	175.00 Agency Bad Di
05/11/2005	35 Cindy Brady	ZBad Debt Credit	-4	\$85.00 Agency Bad Di
🚞 05/11/2005	35 Cindy Brady	ZBad Debt Credit	4	\$85.00 Reinstate from
05/11/2005	87 Marsha Brady	ZBad Debt Debit	-	\$95.00 Reinstate from
05/11/2005	87 Marsha Brady	ZBad Debt Debit	1	\$95.00 Agency Bad Di
iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	36 Bobby Brady	ZBad Debt Debit	\$1	175.00 Agency Bad D
iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	36 Bobby Brady	ZBad Debt Debit	-\$1	175.00 Reinstate from
iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	35 Cindy Brady	ZBad Debt Debit	1	\$85.00 Agency Bad D
iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	35 Cindy Brady	ZBad Debt Debit 🛛 🗡	4	\$85.00 Reinstate from
08/24/2006	Mike Brady	ZReceive Credit On Account	-\$20.00	Credit received

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Manually Apply an Unapplied Credit

To apply an unapplied credit:

- Access the **Payment Entry** window for an encounter that has a charge with a Pat Amt balance.
- Select *Patient* in the Payer field.
- The amount of the unapplied credit is displayed in the Enc Credit and/or Acct Credit fields.
- Select the Use Encounter Credit or Use Account Credit check-box.
- Click the **Save** button.

💐 Paymer	nt Entry		
6 😴 🍯	🛊 🥹 🥼 🔩 🖴 🐼 🎤 🗹 🥔	+ + + × ≤ ¶	Control Group: 0001 08/24/2006 Ray
Source/Acct Patient:	Encounter 💌 Brady, Mike	1	Created: 2 of 2 Modified
Encounter:	184 01/04/2005 Unbilled 🔽	Claim Nbr:	
Payer:	Patient	Reasons:	
Tracking:	Use Unapplied Credit	Acct Credit:	Use Account Credit
Date:	08/24/2006	Enc Credit. 🔽 🔽	Use Encounter Credit
Pay Amt:	20.00	Pay Code: ZApplied Encounter/Invoice Credit	
Adj Amt:		Adj Code:	
<u>N</u> ext	pen	Save Cancel Delete Clear	_ <u>B</u> ecalc _ <u>X</u> fer Credit
Date	SIM Description CPT4 Rendering	Qty/Charge Allowed % Pay Adj Balance Status	Reasons Deduct Ins1 Ins2 Ins3 PatAmt
1/4/2006 1/4/2006	99202 Office/outp 99202 Kiley MD, Ja 81002 Urinalysis, n 81002 Kiley MD, Ja	70.00 20.00 50.00 25.00 25.00	50.00 0.00 0.00 20.00 25.00 0.00 0.00 0.00

System Generated Transactions

• When the unapplied credit is utilized, the appropriate pair of automatic system generated transactions are created in the user's batch ledger as follows;

ZApplied Encounter/Invoice Debit ZApplied Encounter/Invoice Credit Net = \$0.00	\$20.00 -\$20.00
Or	

Or

ZApplied Account Debit =	\$20.00
ZApplied Account Credit =	-\$20.00
Net = \$0.00	



<u>Reports</u>

Unapplied Amounts by Account / Invoice / Encounter Report

Access the report from the Reports > Accounts Receivable menu.

- Helps identify outstanding unapplied credits that may need to be applied manually.
- Found from the Reports / Accounts Receivable menu.
- The report has "drill down" capability to easily access the accounts and encounters listed.

<i>🍏 </i> 🖉			- FBF <i>A</i>	4		<u>.</u>	1 🖬	3 1	
			J 🖂 🦻					unts by Account, Invoice and Encounter	
29/06 1	0:42 AI	N							
	E/I/A/B	o Src Type		old Amt	٠				
	8	 Account 		-\$20.00	•				
	24	Account		-\$70.00					
	45	Account		-\$40.00					
	106	Encounter		-\$10.00					
	185	Encounter		-\$10.00					
	186	Encounter		\$100.00					
	200	Encounter		-\$10.00					
	214	Encounter		-\$15.00					
	256	Encounter		-\$15.00					
DTAL				\$290.00	-				

Payment Reports

• On payment reports, unapplied credits that have not been applied to charges *are not associated to a rendering provider*.

Patient Payment Check \$15.00 (Pmt)

Rendering = <No Rendering>

• Once the unapplied credits have been utilized on charges, the appropriate pair of system generated payments take place and the payments are *now associated to a rendering provider* on reports.

ZApplied Encounter Debit	\$15.00 (Pmt)	Rendering = <no rendering=""></no>
ZApplied Encounter Credit	-\$15.00 (Pmt)	Rendering = Welby MD, Marcus