

# **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
file Edit View Help
RAS Enterprise RAS Heathcare Associates PC A/R & Collections A/R & Collections A/R & Collections A/R & Collections A/R & Collections A/R & Collections A/R & Collections Billing Clinical Staft Clinical Staft Clinical Staft Clinical Staft Clinical Group SC Clinical
uccessfully 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       Default Reason Code Library       Write Off Remaining Patient Balance         Default Reason Codes       Image: Comparison Code Adjustment - P image:	
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	<ul> <li>♦ ♦ ♦</li> <li>♦</li> <li>¶</li> <li>Control Group:</li> <li>0001</li> <li>08/24/2006</li> </ul>	Ray 🔻
Source/Acct:	Encounter 💌 Brady, Mike	Created:	1 of 1
Patient:	Brady, Bobby 💽	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 Recaic Xfer Credit	
Date	SIM Description CPT4 Rendering	Qty/Charge Allowed % Patien Adj Balance Status Reasons Deduct Ins 1 Ins 2	Ins 3 Pat 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 I	losting				🛛 🛛
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Patient: Encounter:	Brady, Bobby	Created: Modified: Process Date:			0 of 0
Svc Dates: Svc Item:	II to II Diag: 0 Y Place	e Svc:			
CPT4:	Notes	rs:			
Quantity: Unit/Override:	NextGen Alerts	Ci.			
Extended:	Alerts	Close			
New	Open     System Alerts     With a system and a system alerts     With a system and a system alerts		ote		
Date	Svolt 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	
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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 Uffice/outpatient visit, new, es 2 2	Narrative:
	Notes:
Uuantity: 1 0 -	Status: Unbilled
Unit/Override: 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 or         Yes	n this charge?

**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		
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Source/Acct:	Encounter 💌 Brady, Mike		Created: 2 of 2
Patient:	Brady, Bobby	8	Modified
Encounter:	184 01/04/2020 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:

		7 1000 01111			
ount Profile - Bra	ady, Mike				
Brady, Mike		192 11	345	Account	Number: 8
Properties	Encounters	Acct Summary	Budget	Ĩ	Notes
Int Information					
Date	Enc/Inv Name	△ Description	Charges Payments	Adj/Ref I	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		\$95.00	Reinstate from
iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	87 Marsha Brady	ZBad Debt Credit		-\$95.00	Agency Bad D
iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	36 Bobby Brady	ZBad Debt Credit		\$175.00	Reinstate from
🚞 05/11/2005	36 Bobby Brady	ZBad Debt Credit		-\$175.00	Agency Bad D
iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	35 Cindy Brady	ZBad Debt Credit		-\$85.00	Agency Bad D
iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	35 Cindy Brady	ZBad Debt Credit		\$85.00	Reinstate from
iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	87 Marsha Brady	ZBad Debt Debit		-\$95.00	Reinstate from
iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	87 Marsha Brady	ZBad Debt Debit		\$95.00	Agency Bad D
iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	36 Bobby Brady	ZBad Debt Debit		\$175.00	Agency Bad D
iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	36 Bobby Brady	ZBad Debt Debit		-\$175.00	Reinstate from
🚞 05/11/2005	35 Cindy Brady	ZBad Debt Debit		\$85.00	Agency Bad D
🚞 05/11/2005	35 Cindy Brady	ZBad Debt Debit 🛛 🗡		-\$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>Recalc</u> Xfer Credit
Date	SIM Description CPT4 Rendering	Qty/Charge Allowed % Pay Adj Balance Statu	s 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         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
0r	

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.

🔲 Una	applied	Amounts I	by Account,	Invo	ice a	ind E	ncount	ter		🛛
<i>🍏 🖉</i>		)©+ ¤• \Xi	翻 🖌 🥠			<u>FR</u> [	<b>1</b>	<b>5</b>		
	1				Un	appli	ed Am	ount	ts by Account, Invoice and Encounter	
8/29/06	10:42 A	M								
	E/I/A/B	♦ Src Type	Output An Unappld An	<mark>nt</mark> ⇔						
	8	<ul> <li>Account</li> </ul>	-\$20.0	0 🔹						
	24	Account	-\$70.0	10						
	45	Account	-\$40.0	0						
	106	Encounter	-\$10.0	10						
	185	Encounter	-\$10.0	0						
	186	Encounter	-\$100.0	0						
	200	Encounter	-\$10.0	0						
	214	Encounter	-\$15.0	0						
	256	Encounter	-\$15.0	10						
				_						
TOTAL			-\$290.0	0						

#### **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