

Refunds

There will be times when too much money is posted on an encounter resulting in a credit balance and that credit will need to be refunded to either **Insurance** or **Patient**. Refund Transaction Codes are setup as a separate *Type* in File Maintenance since they are reported separately from payments and adjustments.

The example below illustrates how a credit was created. The insurance paid twice on the same encounter. Therefore, the insurance will need to be refunded.

Total Charges	\$210.00	
Insurance (1)	-\$210.00	(Payment = -\$181.00 / Adjustment = -\$29.00)
Insurance (2)	-\$210.00	(Payment = -\$181.00 / Adjustment = -\$29.00)
Overpayment/Credit	-\$210.00	

Enc Number	Created	Svc Date	SIM Description	CPT4	Qty	Amount	Type	Deductible	Tracking Desc
344	11/25/09	09/25/09	Office/outpatient visit, new, expanded prob	99202	1.00	165.00	Chg		
	11/25/09	09/25/09	Lipid panel	80061	1.00	30.00	Chg		
	11/25/09	09/25/09	ESG (end - 24 hours) (non-comple)	93235	1.00	75.00	Chg		
	11/25/09	10/23/09	Adjustment - Aetna			-29.00	Adj	00	EOB H 2347
	11/25/09	10/23/09	Payment - Aetna			-181.00	Pmt	00	EOB H 2347
	11/25/09	11/25/09	Adjustment - Aetna			-29.00	Adj	00	EOB H 3448
	11/25/09	11/25/09	Payment - Aetna			-181.00	Pmt	00	EOB H 3448

Encounter Financial Summary					
Charges	Unapplied	Payments	Adjustments	Refunds	Bad Debt
\$210.00	\$0.00	-\$362.00	-\$58.00	\$0.00	\$0.00
					Balance
					-\$210.00

Required Setup:

System Administrator - Security

Users setting up *Transaction Codes* in File Maintenance will need to have the following security access rights:

- Modules > File Maintenance > Transactions

Users entering *Transactions* in EPM will need to have the following security access rights:

- Operations > Transactions
- Modules > Transactions

File Maintenance

- Access **File Maintenance > System Master Files > EPM > Transaction Codes**

Verify the following preinstalled payment codes are defined as follows:

- **Refund Insurance**

The screenshot shows the 'Modify Transaction Code Information' dialog box. The 'Transaction Description' field contains 'Refund Insurance'. The 'Note' field is empty. The 'Type' dropdown is set to 'Refund'. The 'Source' dropdown is set to 'Third party'. The 'Sign Type' section has 'Positive (+)' selected. There are checkboxes for 'Bad Debt Only', 'Optical transaction', and 'Allow sign over ride' (which is checked). The 'Users / Groups Blocked Access' dropdown is empty. At the bottom, there is a 'Who/When' button, 'OK', and 'Cancel' buttons.

- **Refund Patient**

The screenshot shows the 'Modify Transaction Code Information' dialog box. The 'Transaction Description' field contains 'Refund Patient'. The 'Note' field is empty. The 'Type' dropdown is set to 'Refund'. The 'Source' dropdown is set to 'Patient'. The 'Sign Type' section has 'Positive (+)' selected. There are checkboxes for 'Bad Debt Only', 'Optical transaction', and 'Allow sign over ride' (which is checked). The 'Users / Groups Blocked Access' dropdown is empty. At the bottom, there is a 'Who/When' button, 'OK', and 'Cancel' buttons.

NOTE: The refund Transaction Codes are setup with a Sign Type of “positive” in File Maintenance. Therefore, the user does not need to place a negative sign in front of the dollar amount to bring the line item credit balance back to \$0 when entering refund transactions.

Application Usage:

Third Party Refunds

In the example below, the insurance paid twice on the same encounter. The Status of *None* was used when the second insurance payment was entered to ensure the -\$210.00 credit remained in the *Ins1 Amt* bucket in Balance Control. The insurance will be refunded.

The screenshot shows the 'Patient Chart - Refund, Third Party' window. The 'Transactions' table lists several entries, with three highlighted in green and circled in red:

Created	Svc Date	SIM Description	CPT4	Qty	Amount	Type	Deductible	Tracking Desc
11/25/09	09/25/09	Office/outpatient visit, new, expanded prob	99202	1.00	105.00	Chg		
11/25/09	09/25/09	Lipid panel	80061	1.00	30.00	Chg		
11/23/09	10/23/09	Adjustment - Aetna			-29.00	Adj	00 EOB # 2347	
11/23/09	10/23/09	Payment - Aetna			-181.00	Pmt	00 EOB # 2347	
11/23/09	11/23/09	Adjustment - Aetna			-29.00	Adj	00 EOB # 3448	
11/23/09	11/23/09	Payment - Aetna			-181.00	Pmt	00 EOB # 3448	

The 'Encounter Financial Summary' table at the bottom shows:

Charges	Unapplied	Payments	Adjustments	Refunds	Bad Debt	Balance
\$210.00	\$0.00	-\$362.00	-\$58.00	\$0.00	\$0.00	-\$210.00

The Balance Control window for the encounter displays as follows:

The screenshot shows the 'Balance Control - Refund, Third Party' window. It displays the following information:

Encounter ID: 944 Patient Name: Refund, Third Party
 Encounter Date: 09/25/2009 Guarantor Name: Refund, Third Party
 Enc Status: Billed

Insurance	Insured	Policy Nbr	CoPay	Deductible
Aetna HMO	Refund, Third Party	278398478	\$0.00	\$0.00

Date/Time	Creator	Significant Event Description
11/25/2009 3:34 P	Admin, NextGen	Encounter Insurance Re-Ordered - 944
11/25/2009 3:35 P	Admin, NextGen	Encounter Status Change from: Unbilled to: Billed
11/25/2009 3:37 P	Admin, NextGen	Encounter Status Change from: Billed to: History

SIM	Amount	Ins1 Amt	R	Ins2 Amt	R	Ins3 Amt	R	Pat Amt	Ln Item Bal
99202	\$105.00	-105.00		0.00		0.00		\$0.00	-105.00
80061	\$30.00	-30.00		0.00		0.00		\$0.00	-30.00
93235	\$75.00	-75.00		0.00		0.00		\$0.00	-75.00
<input type="checkbox"/> Rebill Encounter		-\$210.00		\$0.00		\$0.00		\$0.00	-\$210.00

Buttons: Prorate, OK, Cancel

Refund Transaction Codes are displayed in the *Adj Code* field on the Payment Entry window. By selecting *Refund Insurance* in the *Adj Code* field first, the system will reference File Maintenance for the correct *Sign Type* for this transaction.

Note: In the example below only the duplicate payment amount of \$181.00 was refunded. The duplicate adjustments will be reversed using a separate transaction.

Date	SIM	Description	CPT4	Rendering	Qty/Charge	Allowed	%	Payment - Aetna	Refund Insurance	Balance	Status	Reasons	Deduct	Ins 1	Ins 2	Ins 3	
9/28/2009	93202	Office/outpatient visit, new, expanded prob	93202	Anderson M...	105.00				100.00	-5.00				-105.00	0.00		
9/28/2009	80061	Lipid panel	80061	Anderson M...	30.00				21.00	-9.00				-30.00	0.00		
9/28/2009	93235	ECG monitor/24 hrs, real time, complete	93235	Anderson M...	75.00				60.00	-15.00				-75.00	0.00		
Unapplied Amount:									210.00	0.00	0.00		181.00	-29.00	0.00	-210.00	0.00

The duplicate adjustment of \$29.00 is reversed using the original Aetna *Adjustment code* and a (-) negative sign in the line item dollar amounts.

Date	SIM	Description	CPT4	Rendering	Qty/Charge	Allowed	%	Pay	Adjustment - Aetna	Balance	Status	Reasons	Deduct	Ins 1	Ins 2	Ins 3	
9/28/2009	93202	Office/outpatient visit, new, expanded prob	93202	Anderson M...	105.00				-5.00	0.00	Settled moved to self			-105.00	0.00		
9/28/2009	80061	Lipid panel	80061	Anderson M...	30.00				-9.00	0.00	Settled moved to self			-30.00	0.00		
9/28/2009	93235	ECG monitor/24 hrs, real time, complete	93235	Anderson M...	75.00				-15.00	0.00	Settled moved to self			-75.00	0.00		
Unapplied Amount:									210.00	0.00	0.00		-29.00	0.00	0.00	-210.00	0.00

After the refund and adjustments are entered and the batch is posted, the patient's **Chart > Encounters tab > Transaction sub-tab** for the encounter will display as follows:

Created	Svc Date	SIM Description	CPT4	Qty	Amount	Type	Deductible	Tracking Desc
02/22/10	09/28/09	Office/outpatient visit, new, expanded prob	99202	1.00	105.00	Chg		
02/22/10	09/28/09	Lipid panel	80061	1.00	30.00	Chg		
02/22/10	09/28/09	EKG monitor/24 hrs, real time, complete	93235	1.00	75.00	Chg		
02/22/10	09/28/09	Patient Payment Cash			-15.00	Pmt		
02/22/10	10/19/09	Adjustment - Aethna			-29.00	Adj	.00	
02/22/10	10/19/09	Payment - Aethna			-166.00	Pmt	.00	
02/22/10	11/02/09	Adjustment - Aethna			-29.00	Adj	.00	
02/22/10	11/02/09	Payment - Aethna			-161.00	Pmt	.00	
02/22/10	02/22/10	Adjustment - Aethna			29.00	Adj	.00	Adjustment Reversals Due To Refund
02/22/10	02/22/10	Refund Insurance			181.00	Ref	.00	Refund Check #456

Encounter Financial Summary							Balance
Charges	Unapplied	Payments	Adjustments	Refunds	Bad Debt		
\$210.00	\$0.00	-\$362.00	-\$29.00	\$161.00	\$0.00		\$0.00

Sample Line Item Refund report for the Third Party Refund:

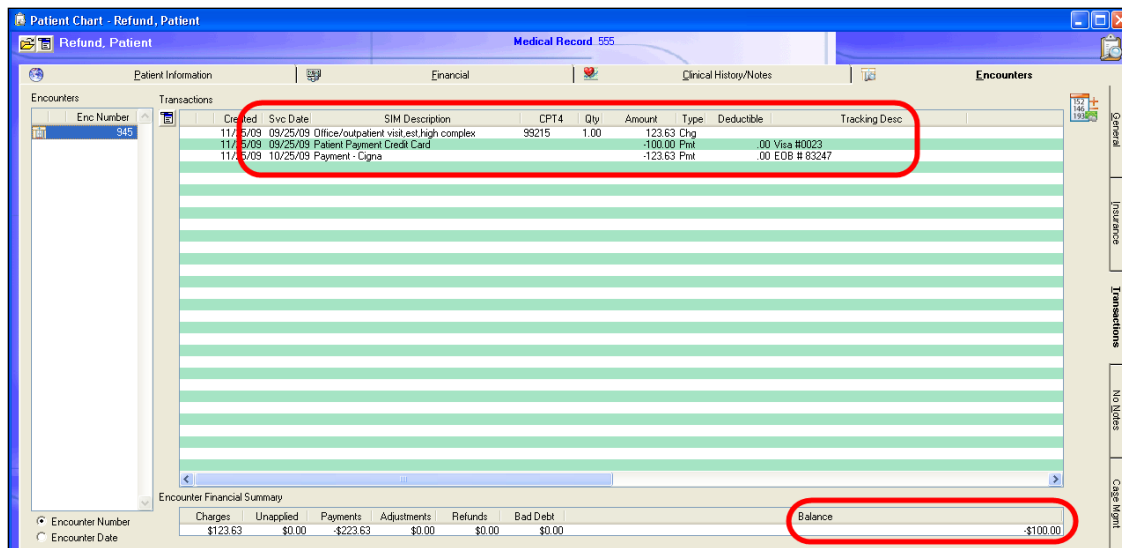
The screenshot shows a software window titled 'Third Party Refund Report'. The window contains a table with the following data:

Refunds				
Third Party Refund Report Example				
	<u>E I A B</u>	<u>Md Rc</u>	<u>Sv It</u>	<u>Ref Amt</u>
Refund Insurance				
Downtown Office				
	1078	554	80061	\$21.00
	1078	554	99202	\$100.00
	1078	554	93235	\$60.00
Totals for Refund, Third Party (3)				\$181.00
Totals for Downtown Office (3)				\$181.00
Totals for Refund Insurance (3)				\$181.00

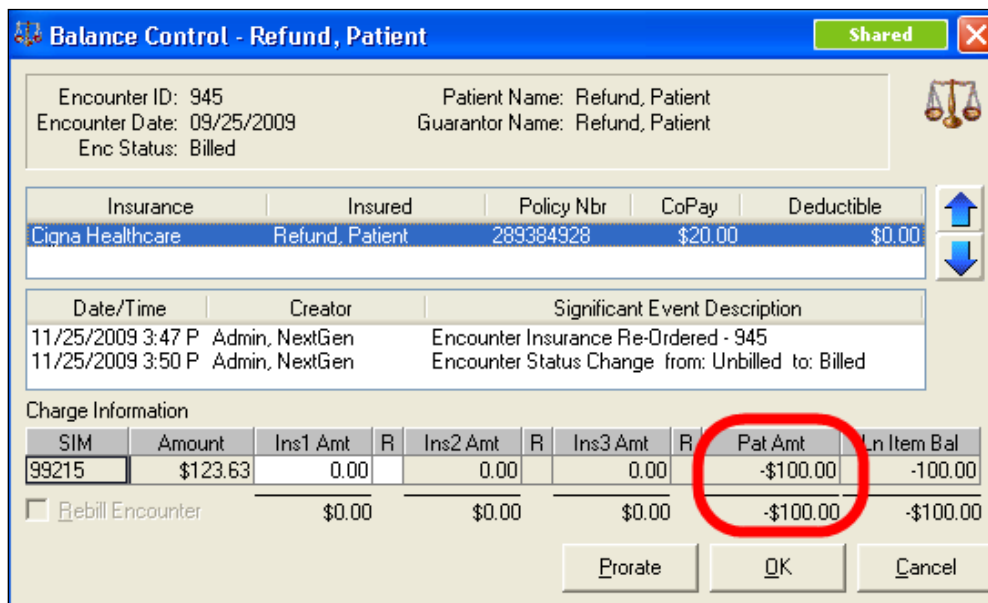
Patient Refund

In the example below, the patient paid a \$100.00 deductible. However, the insurance payment covered the \$100.00, since the patient already met their deductible. The Status of *Settled moved to self* was used when the insurance payment was entered to ensure the -\$100.00 credit was moved to the patient bucket.

Total Charges \$123.63
 Patient Paid -\$100.00
 Insurance Paid -\$123.63
 Insurance Adjusted \$ 0.00
Overpayment -\$100.00



The Balance Control window for the encounter displays as follows:



Refund Transaction Codes are displayed in the *Adj Code* field on the Payment Entry window. By selecting *Refund Patient* in the *Adj Code* field first, the system will reference File Maintenance for the correct *Sign Type* for this transaction.

Payment Entry window showing a refund transaction. The 'Adj Code' field is set to 'Refund Patient'. The table below shows the transaction details:

Date	SIM	Description	CPT4	Pending	Qty/Charge	Allowed %	Pay	Refund Patient	Balance	Status	Reasons	Deduct	Ins 1	Ins 2	Ins 3	Pat Amt
9/25/2009	99215	Office/outpatient visit,est,high complex	99215	Baker MD,...	123.63			100.00	0.00				0.00	0.00	0.00	-100.00

Unapplied Amount: Totals: 123.63 0.00 0.00 100.00 0.00 0.00 0.00 0.00 0.00 -100.00

After the refund is entered and the batch is posted, the patient's **Chart > Encounters tab > Transaction sub-tab** for the encounter will display as follows:

Patient Chart - Refund, Patient window showing the Encounters tab. The 'Transaction' table shows the refund entry circled in red:

Created	Svc Date	SIM Description	CPT4	Qty	Amount	Type	Deductible	Tracking Desc
11/25/09	09/25/09	Office/outpatient visit,est,high complex	99215	1.00	123.63	Chg		
11/25/09	09/25/09	Patient Payment Credit Card			-100.00	Pmt	0.00	Visa #0023
11/25/09	11/25/09	Refund Patient			100.00	Ref	0.00	Refund Patient Deductible Payment

Encounter Financial Summary:

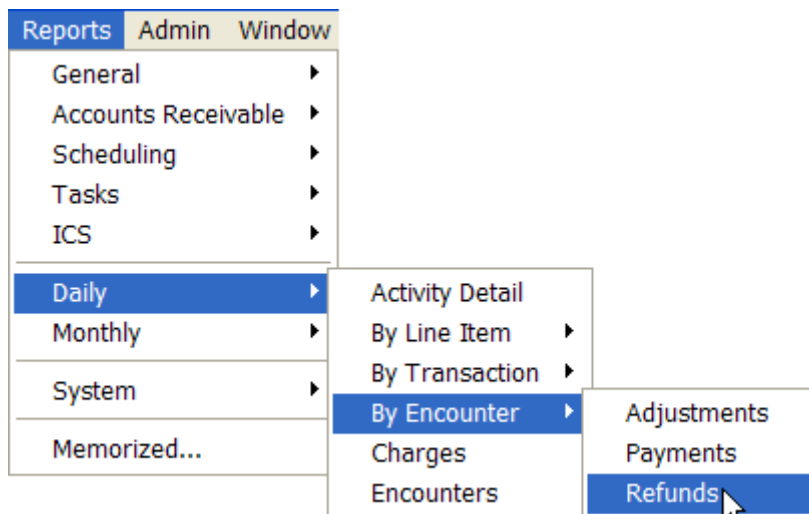
Encounter Number	Charges	Unapplied	Payments	Adjustments	Refunds	Bad Debt	Balance
945	\$123.63	\$0.00	\$223.63	\$0.00	\$100.00	\$0.00	\$0.00

Sample Line Item Refund report for Patient Refunds:

The screenshot shows a software window titled "Third Party Refund Report". The window contains a table with the following data:

Refund Patient Patient Refund Report Example						
2/25/10 1:51 PM						
Loc Name	EIAR	Name	MD Rc	Sy Rt	Unit Price	Ref Amt
Refund Patient						
Downtown Office	945	Refund, Patient	555	99215	\$123.63	\$100.00
Totals for Refund Patient (1)						\$100.00

Daily Transactions Reports



By Line Item:

Reports will list the transactions (payments, adjustments and refunds) under the **actual** payer/financial class selected on the *Payment Entry* window when the transactions were entered. These are **line item** reports so they will show how much of the transaction was applied to each line item on the encounter.

By Encounter:

Reports will list the transactions under the **primary** payer/financial class on the encounter. These are **line item** reports so they will show how much of the transaction was applied to each line item on the encounter.

By Transaction:

Reports will list the transactions under the **actual** payer/financial class selected on the *Payment Entry* window. The **total** transaction amount pulls from the top portion of the Payment Entry window. Therefore, these reports will not show how much of the transaction was applied to each line item on the encounter.