



Posting Payments
January 2007

Posting Payments

As of the January 2007, the payment posting process has been completely redesigned for faster data entry, advanced electronic remittance posting, and support for electronic coordination of benefits (COB) and secondary electronic billing. The new payment details task also allows you to view a complete log of financial transactions associated with each charge, and view and re-open settled charges without ever leaving the payments task.

To post payments received by mail from insurance companies, patients, and other payers, you would typically access the **New Payment** task to manually apply the payments to open claims. To automatically post payments received electronically from ERA's, you would access the **Clearinghouse** task to locate and apply the payments.

Kareo also offers a new feature within the scheduler task that allows a front office user to enter payments and print receipts at the time of patient appointment. This feature can be accessed directly from the Appointment Scheduler.

Important note related to Patient Copays: You can now track and bill for missed patient copays immediately once encounters are entered. If you have entered the copay due for each insurance policy associated with a patient, the system will automatically track the required copay when posting charges. The system is now capable of tracking patient responsibility, insurance balance, and total balance on each charge in the system. If a patient misses their copay, the system will automatically bill the patient for the missed copay concurrently with the insurance billing process.

The following topics explain how to manage the various types of payments.

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Posting a Payment Manually

Use the **New Payment** task to post all payments received by patients and by insurance plans for paper-based claims.

To post a payment manually, do the following:

1. On the **Encounters** menu, click **Receive Payment**. This opens the **New Payment** task.
2. Note that the **New Payments** task is organized into two tabbed sections: "General" and "Apply."
3. Under the "General" tab, you will enter the payment details.
4. Under the "Apply" tab, you will apply the payment to one or more open charges.
5. Once the entire payment has been applied, or if you have partially applied a payment and want to resume later, do one of the following:
 - To save the payment record, click **Save** on the Task Button Bar.
 - To save the payment record and enter a new payment, click the **Save & New** button. **Note:** To speed data entry, clicking the **Save & New** button also copies the batch number, post date, and payer type to the next payment being entered.
 - To enter refunds associated with the payment, click the **Refund** button.
 - To close the **New Payment** task without saving the payment record, click **Cancel** or press the **Esc** key on your keyboard.

Entering Payment Details

To enter payment details, do the following:

- **Batch Number:** Enter the batch #, if applicable. Note that if a previous payment was entered during the same work session, the system will automatically populate the batch number from the previous payment; however, you can change this batch number if needed. (This is an optional free-form entry field, and can contain any alpha-numeric text to uniquely identify the batch. Entering a batch number for a group of encounters allows the medical or billing office to filter various reports by batch number.)
- **Post Date:** The system defaults to either a) the post date of the last payment entered if you entered another payment in the same work session, or b) today's date if this is the first payment being entered during this work session. However, you have the option of entering a different post date, if needed.
- **Type:** If this is the first payment being entered during this work session, then the **Type** box is automatically set to "Insurance," and the button below is labeled **Insurance**. If you previously entered a different type of payment during the same work session and clicked the **Save & New** button, the payer type from the previous payment will be carried forward to the new payment. You can always change the payer type, when needed.

If an insurance payment, do the following:

- Select "Insurance" from the drop-down list in the **Type** box, if not already selected. Note that once selected, an **Insurance** button will appear just below the **Type** box.
- Click the **Insurance** button. This opens the **Select Insurance Plans** task (or browser), which allows you to select the insurance plan associated with the payment.
- **Adjudication Date:** Enter the adjudication date. The adjudication date is the date that the insurance company processed the claim(s) and should be provided on the Explanation of Benefits (EOB) report.
- **Reference #:** Enter the reference number of the check.
- **Method:** If you are manually posting from an EOB, the system defaults to "Check".
- **Amount:** Enter the payment amount.
- Once the payment details have been entered, tab to the **Apply Now** button and press the Enter key on your keyboard to start applying the payment to one or more claims associated with the insurance payment. See the section further in this document entitled "Applying Payments from EOBs."

If a patient payment, do the following:

- Select "Patient" from the drop-down list in the **Type** box. Note that once "Patient" is selected, the button just below the **Type** box will now read "**Patient**."
- Click the **Patient** button to select the patient associated with the payment. This opens the **Patients** task (or browser), which allows you to select the patient associated with the payment.
- If the payment is being entered by the billing office, this field would be left blank. However, if the payment was entered by the medical office at the time of a patient appointment, then the appointment field would reflect the appointment number associated with the payment.
- **Reference #:** Enter the reference number of the payment.
- **Method:** The system defaults to "Check"; however, if the patient paid by another method, select the method of payment from the drop-down list.
- **Amount:** Enter the payment amount.
- Once the payment details have been entered, click the **Apply Now** button to apply the payment to the patient account. See the section further in this document entitled "Applying Patient Payments."

If the payment is other than an "Insurance" or "Patient" payment, do the following:

- Select "Other" from the drop-down list in the **Type** box. Note that a new field labeled "**Other**" will appear just below the **Type** box.
- Use this field to enter the name of the payer or other information describing the payment.
- If the payment is being entered by the billing office, this field would be left blank. However, if the payment was entered by the medical office at the time of a patient appointment, then the appointment field would reflect the appointment number associated with the payment.

- **Reference #:** Enter the reference number of the payment.
- **Method:** The system defaults to "Check;" however, if a payment was made by another method, select the method of payment from the drop-down list.
- **Amount:** Enter the payment amount.
- Once the payment details have been entered, click the **Apply Now** button to apply the payment. See the section further in this document entitled "Applying Other Types of Payments."

Applying Payments from EOBs

Once the payment details have been entered under the "General" tab, click the **Apply Now** button to apply the payment. (Please note that clicking the **Apply Now** button has the same affect as selecting the "Apply" tab at the top of the payments screen.)

To manually apply a payment using an EOB report, Kareo recommends the following workflow:

- Select "Add Encounter" from the drop down list in the **Add Encounter/Add Patient** box and tab to the adjacent field used to enter the encounter (or patient).
- Enter the PCN number printed on the EOB associated with the first encounter to which you would like to apply the payment. If you do not have the PCN number, or you wish to manually find the encounter, you can press the **Enter** key on your keyboard to open the corresponding browser, and perform a search for the encounter/patient record.
- Once the system finds the encounter from the PCN number, the patient will be added to the patients list, the encounter will be added to the encounters list, all service lines associated with the encounter will be added in the service line list, and the system will automatically select the first service line associated with the encounter.
- To apply the payment, and other adjustments, to the selected service line, do the following:
 - Tab once to move the cursor to the **Payer** field located in the Simple (EOB) section of the task.
 - The **Payer** field is used to specify the insurance policy corresponding with the payment. The system should properly match the name of the payer entered under the "General" tab of the payment with the correct insurance policy associated with the patient record. However, you can select a different insurance policy if necessary.
 - **Allowed:** Enter the allowed amount as reported on the EOB. If a claim has been denied by the insurance company, leave the allowed field set to zero (\$0.00).
 - **Contract Adj:** Enter any contract adjustments as noted on the EOB; and then, if needed, select the adjustment code from the drop-down list in the field to the right of the **Contract Adj** field.
 - **Second Adj:** If there is a second adjustment recorded on the EOB, enter the adjustment amount in this field; and then select the adjustment code for the second adjustment from the drop-down list.
 - **Paid:** Enter the portion of the payment that is to be applied to this claim.
 - **Coinsurance:** Enter the coinsurance amount if a coinsurance amount is reported on the EOB.
 - **Deductible:** Enter the deductible amount if a deductible amount is reported on the EOB.
 - **Copay:** Enter the copay amount if a copay amount is reported on the EOB.
 - **Change Status:** If there is still a balance after the payment and adjustments have been applied to the service line, select how the balance is to be handled.
 - **Note:** Enter any free form notes that may appear on the EOB.
- Continue by doing one of the following:
 - If there are additional service lines associated with the current encounter, click the **Next Line** button to move to the next service line.
 - If there are no additional service lines associated with the current encounter, and there are additional encounters reported on the EOB, click the **Next Encounter** button to move to the **Add Encounter** control, allowing you to enter the PCN number of the next encounter.
- Once the payment has been fully applied, click the Save button on the Task Button Bar; or to enter a new payment record, click the **Save & New** button.

Important note about PCN Numbers: Kareo has recently transitioned to a new format for Patient Control Numbers (PCNs), the unique numbers associated with claims originating from the Kareo system, which are returned by payers and printed on EOBs or

included with ERAs. It is important to understand the format of PCN numbers when manually posting payments from EOBs. The following is a short description of Kareo's old and new format for PCN numbers.

- The Old Format – Prior to the January 2007 release, Kareo used a PCN format of “<CustomerID>K<ClaimID>Kg”, for example, “123K314343Kg”, where “<CustomerID>” means the unique identifier for your customer account and “<ClaimID>” means the unique identifier for the corresponding claims in Kareo. It is important to note that you may receive responses from payers for several months that may include the old PCN numbers. To post payments towards encounters using the old PCN numbers, you may simply enter “K<ClaimID>”, for example “K343434”, in order to quickly identify the encounters and select the service lines to which to apply the payment.
- The New Format - Upon this release, Kareo now uses a PCN format of “<EncounterID>K<CustomerID>”, for example “314343Z123”, where “<EncounterID>” means the unique identifier for the encounter and “<CustomerID>” means the unique identifier for your customer account. Any new claims or printed from the system going forward will include these new PCN numbers, so you may begin receiving EOB or ERA reports with the new PCN numbers within a week or two. To post payments towards encounters using the new PCN numbers, you may simply enter “<EncounterID>”, for example “343434”, in order to quickly identify the encounters and select the service lines to which to apply the payment.

Important Notes about Coordination of Benefits:

- The system now captures and tracks electronic coordination of benefits information so that secondary insurance companies can be billed electronically if the secondary insurance companies are set up for electronic claim submission. When you manually post a payment from an EOB, and the secondary insurance company associated with the patient and case accepts electronic claim submission, then the secondary insurance company is automatically billed, thus eliminating the need for sending paper claims and a copy of the EOB to the secondary payer. To learn more about setting up insurance companies for electronic claim submission, refer to the topic [Setting up the Company>Setting up Insurance Lists>Setting up Insurance Companies](#) in the Online Help or Kareo User Manual.
- Also, to support coordination of benefits, it's important to note that when entering a payment from an EOB, you must enter the payment and adjustments exactly how it appears on the EOB. This is the information that will be packaged and sent electronically to secondary payers. Any internal adjustments or other actions in addition to those automatically calculated by the system should be entered just below the "Transactions" area on the right of the screen. You can access the additional transaction are by clicking the **More+** button in the bottom right corner of the screen. Clicking this button displays an area that allows you to perform other actions that are not reported on the coordination of benefit information sent to payers.

Applying Patient Payments

Once the payment details have been entered under the "General" tab, click the **Apply Now** button to apply the payment. (Please note that clicking the **Apply Now** button has the same affect as selecting the "Apply" tab at the top of the payments screen.)

To apply a patient payment, do the following:

1. If the payment being entered is for more than one patient, enter the second patient's name or ID in the **Add Patient** box and then press the **Return** key on your keyboard. Optionally, rather than entering a patient name or ID, while your cursor is positioned in the **Add Patient** box, you can press the **Return** key to display the **Patients** task (or browser), and then use the search feature within the browser to locate the patient.
2. To apply the payment or a portion of the payment to a charge, first select the patient if more than one patient is listed, and then select the charge from the list.
3. Enter the payment details:
 - **Payment:** Enter the portion of the payment that is to be applied to the claim. Note that the system will automatically adjust the claim balance based on the amount entered.
 - **Status:** If there is still a claim balance after the payment and adjustments have been applied to the claim, select how the balance is to be handled.
 - **Note:** Enter any free form note that you would like to have tracked with the claim.
 - If applicable, select the next open claim being covered by the payment, and repeat the above steps.

Applying Other Types of Payments

Once the payment details have been entered under the "General" tab, click the **Apply Now** button to apply the payment. (Please note that clicking the **Apply Now** button has the same affect as selecting the "Apply" tab at the top of the payments screen.)

Note that the process of applying payments from other payers (other than insurance companies and patients) is quite similar to applying patient payments.

You will use the **Add Patient** field at the top of the screen to select one or more patients associated with the payment. Once one or more patients are selected, the open claims associated with the patient will appear to the right of the screen. To post a payment to a specific patient account, select the patient, and then select the service line to apply the payment to.

For more information about applying payments to patient accounts, see the previous section entitled [Applying Patient Payments](#).

Managing ERA Reports

Electronic Remittance Advices (ERA's) are located in the **Clearinghouse** section of the application. To view or print these reports, do the following:

1. On the **Encounters** menu, click **Clearinghouse Reports**.
2. Select the "Electronic Remittance" tab in the upper section of the **Clearinghouse** task. The items listed under this tab include the following:
 - **Provider Payment (EFT) Checks** - Summary reports of the payments included in the Electronic Funds Transfer (EFT) Checks.
 - **Electronic Remittance Advice (ERA)** - These are the reports used to post payments against the open claims. Each report includes the payer name, the payee name, and the detailed information on the claim or claims being paid.
3. You can view these reports by first selecting the report and then clicking the **View** button on the Task Button Bar, or by double-clicking directly on the report to open it.

To print an "EFT Check" report while the report is being displayed, do the following:

- Click the **Print** button at the bottom of the report. This opens the Windows **Print** dialog.
- Set the print options, if necessary; make sure the printer is turned on and ready to print, and then click **Print**.

To print an "ERA" report while the report is being displayed, do the following:

- Click the **Print** button at the bottom of the report. This opens the Windows **Print Preview** screen.
- Click the **Print** button located on the upper left of the **Print Preview** screen to open the Windows **Print** dialog.
- Set the print options, if necessary; make sure the printer is turned on and ready to print, and then click **Print**.

To save an ERA report to your local hard drive, do the following:

- Click the **Save to File** button at the bottom of the report. This opens the Windows **Save As** dialog.
- Select the folder on your local hard drive where you would like to save the ERA report, enter a new name for the report if desired, and then click the **Save** button within the Windows Print dialog.

4. To post a payment from an ERA, click the Post Payment button at the bottom of the report. To learn how to post a payment from an ERA, see the following topic [Posting a Payment from an ERA](#).
5. To close a report, click the **Close** button on the Task Button Bar. Or, to mark an ERA report as reviewed, click the **Mark as Reviewed** button on the Task Button Bar. This will return you to the **Clearinghouse** task (or browser).
6. To close the browser, press the **Esc** key on your keyboard.

Posting a Payment from an ERA

Note that the automatic electronic remittance and payment posting engine has been completely overhauled and vastly improved to provide more accurate automatic posting. The new automatic posting engine now properly supports denials, reversals, underpayments, over-payments, and other complicated electronic remittance scenarios. The system now captures and tracks electronic coordination of benefits information so that secondary insurance companies can be billed electronically. The new automatic posting engine also provides better exception and error handling reports for situations that require manual intervention.

To post a payment automatically from an ERA and to review proposed transactions related to the ERA, do the following:

1. On the **Encounters** menu, click **Clearinghouse Reports**. This opens the **Clearinghouse Reports** task.
2. Select the "Electronic Remittance" tab in the upper section of the **Clearinghouse** task

3. To post a payment from an ERA, first select the ERA by double-clicking directly on the report, or click once on the report and then click the **View** button on the Task Button Bar.
4. Once the ERA is open, click the **Post Payment** button on the bottom of the ERA. This displays the **New Payments** task.
5. Note that the payment screen is separated into two tabbed sections: "General" and "Apply;" also, a third tab labeled "Errors" will appear if the ERA being processed includes claim denials due to errors. If there are denials within the ERA report, the system will automatically display the "Errors" section of the payment record; allowing the biller to review the denied claims and take whatever actions are necessary.
6. The user can then navigate to the "Apply" tab to review the payment application for the approved claims; and make any necessary adjustments.

Also, to support coordination of benefits, it's important to note that when applying payments from an ERA, you must leave the payment and adjustments exactly how it appears on the ERA. This is the information that will be packaged and sent electronically to secondary payers. Any internal adjustments or other actions taken related to a claim should be made just below the "Transactions" area on the lower right of the screen. You can access a transaction window by clicking the **More+** button on the bottom right corner of the screen. Clicking this button displays an area that allows you to perform other actions that are not reported on the coordination of benefit information sent to secondary payers.

7. Prior to saving the payment record, the user can navigate to the "General" tab and enter a batch number for the payment. Note that all other information in this section will be automatically populated from the ERA.
8. Once you finish reviewing the payment record, click **Save** on the Task Button; or to cancel from the task without saving the new payment, click **Cancel**.

Receiving a Payment and Printing a Patient Receipt (From the Appointment Schedule)

As of the January 2007 release, a medical office user can now enter a payment directly from an appointment record at time of appointment, and then print a receipt for the patient.

Follow these steps to enter a payment from an appointment record.

1. Locate the patient appointment within the scheduler.
2. Once located, right click on the appointment and then select "Create Payment" from the pop-up menu. This displays the **New Payment** task.
3. Note that the cursor is position on the batch # field under the "General" tab of the **New Payment** screen.
4. Tab to the **Reference #** field and enter the reference number of the payment.
5. Tab to the **Method** field, and select the method of payment from the drop-down list, or leave the payment set at "Check" if the payment was by check.
6. Tab to the **Amount** field, and enter the payment amount.
7. Click the **Save** button to save the payment record.

Important Note: When entering a payment enter the system, the medical office user would not typically apply the payment to patient charges. This function is normally reserved for the billing office once an encounter has been submitted for a patient. When an encounter is entered into the system that is associated with the appointment, the payment made at time of appointment will be displayed within the encounter record. A billing office member, during the process of reviewing and approving an encounter, can click on the link to the payment and edit and apply the payment as needed.

To print a receipt for the patient once the payment has been entered into the system, do the following:

1. Click **Encounters** from the menu, and then click **Find Payment**. This opens the **Payments** task (or browser). Note that the user can also press **F10** on their keyboard to access the payments browser.
2. Locate and double-click on the payment to select it. This opens the **Edit Payment** task for the patient selected.
3. Click the **Reports** button on the Task Button Bar, and then click **Payment Receipt**. This displays the receipt on screen.
4. Click **Print** at the bottom of the receipt. This displays the standard **Windows** dialog.
5. Click **OK** within the **Print** dialog to send the receipt to the printer.