Receipts Management

Policy A-IC-13

September 15, 2005
Revised April 26, 2013
Revised September 30, 2016

Purpose: To establish a standard procedure for the collection and management of receipts to ensure adequate and appropriate internal control measures.

Policy: At no time shall client, patient or third-party payments be left unattended or unsecured. All checks received at any site must be immediately stamped with a "Deposit Only" stamp and secured appropriately.

Procedure:

I. Health Center Receipts
   A. Self-Pay
      1. Health Centers: In the event that the computer system is down, issue manual receipts, and save for entry to data system, which should occur as soon as possible.
      2. After the completed Patient Encounter Form (except for the amount paid) has been entered into the system, the second Patient Encounter Form screen lists the services provided and the amount owed by the patient. In the space provided, enter amount paid, the number of bills/receipts to print, and transmit (Xmit). The system will print a bill/receipt. The employee, who receives the payment documents type of payment, initials the bill/receipt, gives the original to the patient, and attaches the second copy to Encounter Form.
      3. All money received shall be secured in the cash box.
      4. Each day's receipt shall be compared with the PEF amounts paid and batched separately in a sealed money envelope with the total amount enclosed and the initials of the clerk securing the funds.
      5. The receipts total on Report #358 for that day shall be compared to the sealed money envelope total and to the actual receipts total. All three (3) amounts should agree. If donations have been received, also review the Report #319 and add the daily donations received from this report with the self-pay amounts from Report #358 and/or Report #319. If the total amounts do not agree, correct the errors and document on the Report #358. Send a copy of Report #358, Report #319 (if applicable), and the money to

the District Office sealed in an interoffice currency envelope and secured in a locked mailbag with the next delivery of inter-district mail.

6. The account distribution amounts for the Self-Pay receipts are at the end of Report #358. These daily distributions are used to support the cash entries in the General Ledger. The Patient Encounter Forms (PEFs) and a copy of the #319 report shall be maintained for six (6) years after the Independent Financial Audit.

B. Medicaid Preventative Services Program

1. Medicaid billing is automatically run and payments posted by Custom Data Processing (CDP) for all preventive Medicaid payments. All services entered in the Patient Encounter Form system as of the billing run date are included in the billing.
2. The Medicaid Remittance Reports are automatically generated for each site when the Medicaid payment is applied to the patient account by CDP for, each Health Department's Medicaid A/R file. Discrepancies between the A/R file and amount paid/posted should be evaluated and reconciled.
3. The Medicaid payment posted may not match the Health Department A/R file for any of the following circumstances:
   a. The patient Medicaid number has changed between the time the service was rendered and the date the Medicaid payment is applied to the A/R file.
   b. Medicaid was billed by hand on a HCFA 1500 and the correct A/R information was not entered in time.
   c. A recoupment of a prior time period payment is involved.
4. Any necessary corrections to the A/R system that are needed must be made by the Billing Clerk to reconcile the differences between the payment and A/R file (Example: service billed with 800 series number and payment received after new MA# received).
5. The Billing Clerk is responsible for examining all denied Medicaid claims on each remittance report on at least a monthly basis and to take appropriate action including submitting a re-bill when necessary.
6. If the patient or services were billed in error to Medicaid, correct the A/R system using CDP instructions.
7. Patients with retroactive Medicaid cards will be automatically billed by CDP to Medicaid when their Patient Encounter Form History File is updated to show Medicaid eligibility by the Billing Clerk.
8. Health Center Support Staff are responsible for reviewing the monthly Applied Potentially Eligible Medicaid Report #375 for patients that have received their Medicaid Card to update the PEF and initiate retro-active billing of Medicaid services provided.
9. The Department for Public Health receives the Medicaid payments directly from the Kentucky Department for Medicaid Services and distributes to the Health Department via electronic transfer of funds. The Administrative Manager or designee is responsible for reconciling the remittance reports with the funds received on a monthly basis to assure reporting and receipt accuracy.

10. The A/R Aging Report #359 should be examined monthly by the Billing Clerk to take the necessary action on Medicaid A/R that is more than ninety (90) days old. These balances may be the result of errors in the resubmission of denied claims, final denial by Medicaid, differences in hand billing amounts, and payment amounts by Medicaid and other reasons. All must be acted upon and the proper entries made. Document reasons for any changes. The Clinic and School Health Services Manager will monitor aging reports for all health centers to ensure accuracy in any changes or corrections.

C. Medicaid Managed Care

1. As with traditional Medicaid, Medicaid Managed Care billing is automatically run by CDP. All services entered in the Patient Encounter form system, as of the billing run date, are included in the billing.
2. Passport (PP) and/or associated Affiliates
    a. PP Managed Care Organization (MCO) payments are received via electronic funds transfer from UHC Newco Inc.
    b. Payments are posted automatically to the patient's A/R account by CDP.
    c. The Billing Clerk is responsible for identifying and reconciling posting errors and discrepancies with the patient A/R account and submitting coding information from the #358 report to the Deposit Clerk for the deposit of receipts.
3. Aetna
    a) The Billing Clerk is responsible for verifying the remittance advices from the MCO are posted correctly by CDP and reconciling discrepancies with the patient A/R account accordingly.
    b) The Kentucky Department for Public Health receives the MCO payments directly from Aetna and distributes to the Health Department via electronic transfer of funds. The Administrative Manager or designee is responsible for reconciling the remittance reports with the funds received on a monthly basis to assure reporting and receipt accuracy.
4. Wellcare
    a) Wellcare Managed Care Organization (MCO) payments are received via electronic funds transfer directly from Wellcare.
    b) Payments are posted automatically to the patient's A/R account by CDP.
    c) The Billing Clerk is responsible for identifying and reconciling posting errors and discrepancies with the patient A/R account.
5. Anthem Medicaid
    a) Anthem Medicaid payments are received via electronic funds transfer directly from Anthem Medicaid.
    b) Payments are posted automatically to the patient's A/R account by CDP.
    c) The Billing Clerk is responsible for identifying and reconciling posting errors and discrepancies with the patient A/R account.

D. Bad Debts
   1. The monthly A/R Report #359 lists all unpaid balances. Self-pay balances that are $10.00 or less, and more than six months old, will be automatically written off by the system. Each site will receive a listing of the bad debts written off on the A/R monthly Report #358. You may add back any of these bad debts from the A/R Report if there is a reasonable expectation of collection. Self-pay balances more than $10.00 must be written off on an individual basis using the requirements in the Administrative Reference for Local Health Departments. All manual write-offs must be approved in writing by the Clinic/School Services Manager and District Director.

II. Environmental Services Receipts: Refer to Policy E-IC-1. Fees should be collected by Support Services Staff. Pre-addressed and stamped envelopes may be issued in the field to clients or installers who wish to pay without coming into the Health Center. Environmentalists should not accept fees except temporary food service permit fees which may be collected by the Environmentalists in the field provided they are $20.00 or less, or the risk of not being paid exceeds the risk of accepting the fee.

III. Home Health Agency
   A. All Medicare, Medicaid, Waiver and EPSDT payments are received electronically and posted to the patient AR account by CDP.
   B. Home Health Support Staff, or designee, are responsible for coding receipts properly and giving them to the Deposit Clerk for preparing deposits.
   C. All receipts received other than those mentioned above are to be posted manually by Home Health Support Staff, or designee, to the appropriate patient AR in CDP. Anthem and VA are electronically deposited via electronic transfer of funds, but are manually posted.
   D. Posted receipts are balanced with the Administrative Manager or designee monthly to reconcile patient accounts with recorded revenue.
   E. Bad Debts
      1. Fees charged but not collected must be removed from the accounts receivable within ninety (90) days after the maximum time frame for filing has expired, unless programmatic regulations specify otherwise. In that instance, the programmatic regulations must be followed. All manual write-offs must be approved in writing by the Home Health Manager and District Director.

IV. Transport of funds collected to the District Office.
   A. Money to be sent to the District Office shall be secured in a sealed envelope clearly indicating the amount enclosed and source of funds along with 358 reports for patient payments, permit fee paperwork/applications for environmental payments, and/or program designation for all other payment types.
   B. Payments shall at all times be secured in a locked box or locked mail bag during transport to the District Office.

V. Arrival of receipts at the District Office
    A. All funds received at the District Office are to be logged into the electronic receipts log by the Receptionist.
    B. A three-part receipt ticket is to be completed for each payment designating the program area, codes if applicable, payor, date and amount.
    C. Supporting documentation along with a copy of the check and the yellow copy of the receipt ticket are then to be forwarded to the appropriate departmental clerk to process the accounts receivable payment with the patient/client A/R account.
    D. The clerk then returns the receipt ticket to the Deposit Clerk for deposit preparation.

VI. At the end of the month:
    A. The Administrative Manager or designee and the Home Health Manager or designee balance monthly Home Health Agency Service Fees receipt and deposit totals.
    B. The Administrative Manager or designee balances the total cash receipts (regular deposits) with the Deposit Clerk, and investigates any discrepancies for resolution.
    C. The District Director, or designee, receives all cancelled checks, bank statements, deposit slips, transfers, and other transaction records to review prior to reconciliation.
    D. The District Director or Administrative Manager reconciles (or approves after designee reconciles) all bank accounts, assuring that the bank statement balance agrees with District account balances on the computerized balance sheet and with the hand-tallied general ledger maintained for the Taxing Districts, and Health Department operations.

VII. HIPAA Compliance
    A. Any receipt source documentation shall be maintained in a secure manner, in accordance with HIPAA regulations.

District Director **Date**

Chairperson, Three Rivers District Board of Health **Date**