Posting Payments for Medical Services

Creating guidelines for medical office staff

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When a medical practice receives payments for services, either from insurance plans or from patients themselves, a billing employee posts them to the appropriate patient account ledgers—once a fairly straightforward procedure. However, in the current managed care and Medicare environments, posting payments is not the simple task it used to be. Payments still should be posted at the time they are received, either on the computer or on the individual patient ledger cards (if the practice still uses a pegboard system), but medical office staff should be trained to review each transaction carefully before entering the payment into the ledger.

Insurance Payments

An insurance carrier normally sends an explanation of benefits (EOB) along with its payment. The EOB indicates how much of the charged fee was approved for payment, how much was applied to a deductible, how much was applied to a copayment, and how much was applied to other sources, such as a withhold in managed care plans. Most EOBs will indicate how much of the charged fee the patient is ultimately responsible for paying. EOBs also provide data essential to the collection process in the office.

Pre-posting Operations

Before posting any insurance payment to the patient’s account, the billing employee should be sure to perform and document the following:

- Compare the EOB with the original insurance claim and review each carefully. All charges on the claim form must be included on the EOB. Look for changes in current procedural terminology (CPT) coding by the insurance company (e.g., determine if a service was downcoded). The goal is to identify charges that can be appealed.
- Investigate all denied charges and appeal them, if necessary (these will appear as zeros on the EOBs).
- Appeal all usual, customary, and reasonable (UCR) reductions, if necessary. UCRs are filed when the insurance company reduces the physician’s fee because the company feels it is too high for the practice area.
- Any carrier request for additional information that appears on the EOB must be taken care of quickly. The goal is to get paid as quickly as possible by the insurance company.
- The information contained on the FOB should be posted on the computer or manual patient ledger card promptly and carefully upon receipt. An error in the posting process may cause the patient’s account balance to be incorrect.

Patients’ Payments

Payments received from patients should be posted to the patients’ accounts in the computer or on their manual ledger cards on the same day they are received. This policy includes payments received through the mail and payments received from patients at the time of their office visits. In other words, all payments, including those received from insurance companies, should be posted on a daily basis. This strict policy is necessary because one of the best internal controls in a medical practice is to have the daily bank deposit agree with total collections posted for that particular day. Otherwise, you may have a difficult time reconciling posted payments in the patients’ records to the practice’s deposits. One easy way you can check the timing of payment postings is to compare total posted collections for a month against total deposits per the bank account reconciliation. If payments are posted in a timely fashion, the balances should be equal.
**Postdated and Returned Checks**
The practice should not accept postdated checks. Not only does postdating prevent timely posting to the patient’s account, but most times the check bounces anyway, thereby exasperating the collection efforts in the office. Returned checks should also be posted to the computer or to the patient’s ledger card. Before doing so, the billing employee should be instructed to run the check through the bank one more time. If it bounces a second time, the employee should remove the corresponding payment posting from the patient’s account. This usually is done by posting it through a credit adjustment called *returned check*.

**Conclusion**
If medical office staff are trained to review and post all payments in a timely fashion, collection efforts are more easily monitored, and the practice’s cash flows will likely improve. Written guidelines for posting payments should be reviewed regularly to ensure they remain current. If a practice has not developed written guidelines, it is time to set some down on paper—and certainly, a careful review of all transactions before posting them can help a practice collect the maximum amount for each account.