

PracticeWorks Software

Cross Settlement: Posting Bad Debt Adjustments

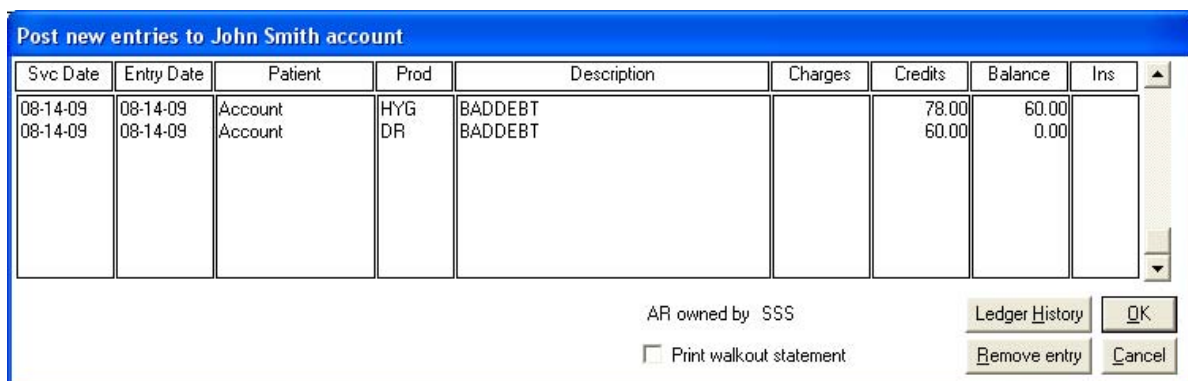
This two-page job aid is designed for front office team members who post adjustments and use the Cross Settlement report in Kodak PracticeWorks practice management software. This job aid is intended as a quick reference for posting bad debt adjustments and related payments.

IMPORTANT: In order to track bad debt and subsequent collection payments correctly, you must first add the adjustment code, OWED, code type Adj(other), to the Transaction Code List. This code should increase the balance. For more information about adding adjustment codes, refer to the *PRACTICEWORKS Software: Adding Adjustment Codes Job Aid (DPWf1.100.JA1.1)*.

Posting Bad Debt Adjustments

NOTE: Bad debt adjustments must be posted with the initials of the producer who completed the treatment. If more than one producer treated the patient, you need to post a bad debt adjustment for each producer involved.

1. In the **Prod** column of the **Post new entries** window, select the appropriate producer's initials.
2. Press the **Tab** key.
3. Type **BADDEBT** in the **Description** column (BADDEBT is a system-defined adjustment code and is in the Adjustment Code list).
4. Press the **Tab** key to advance to the **Credits** column (the adjustment will decrease the account's balance).
5. Enter the amount of the adjustment.
6. Repeat steps 1-5 for each producer involved with the bad debt adjustment.
7. Click **OK**.



Svc Date	Entry Date	Patient	Prod	Description	Charges	Credits	Balance	Ins
08-14-09	08-14-09	Account	HYG	BADDEBT		78.00	60.00	
08-14-09	08-14-09	Account	DR	BADDEBT		60.00	0.00	

AR owned by SSS

Print walkout statement

Ledger History OK Remove entry Cancel

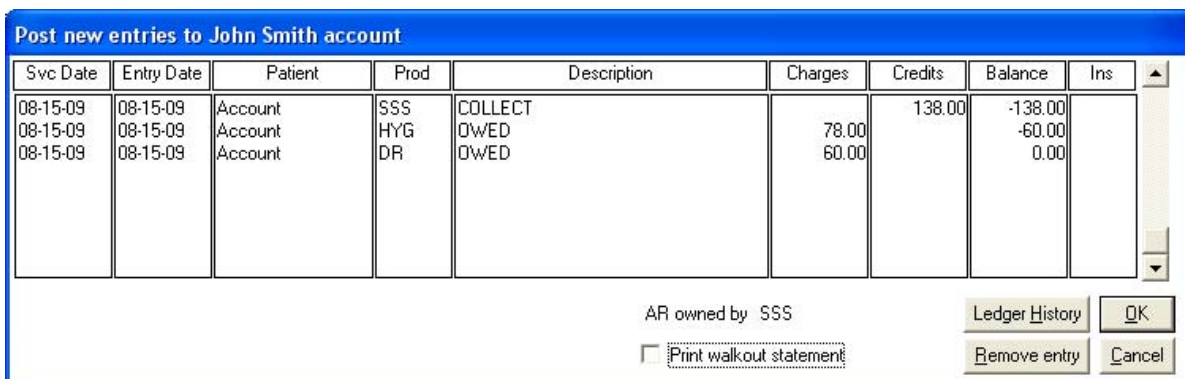
Figure 1 Post New Entries Window

Cross Settlement: Posting Bad Debt Adjustments continued. . . .

Adjusting a Bad Debt Account after a Payment

IMPORTANT: When a patient payment is received for an account that has been adjusted for a bad debt, the OWED adjustment must be applied to the account to ensure that the cross settlement allocates the payment correctly. If the bad debt adjustment was applied to more than one producer, the OWED code must be applied to each producer involved.

1. Post the payment to the bad debt account.
2. To post the **OWED** adjustment to the account, select the appropriate producer's initials in the **Prod** column.
3. Press the **Tab** key.
4. Type **OWED** in the Description column.
5. Press the **Tab** key to advance to the **Charges** column (the OWED adjustment increases the account balance).
6. Enter the amount of the payment to be applied to this producer.
7. Press the **Tab** key.
8. Repeat steps 2-7 for each producer involved in the bad debt adjustment.
9. Click **OK**.



Svc Date	Entry Date	Patient	Prod	Description	Charges	Credits	Balance	Ins
08-15-09	08-15-09	Account	SSS	COLLECT		138.00	-138.00	
08-15-09	08-15-09	Account	HYG	OWED	78.00		-60.00	
08-15-09	08-15-09	Account	DR	OWED	60.00		0.00	

AR owned by SSS

Print walkout statement

Ledger History OK
Remove entry Cancel

Figure 2 Post new entries window