Managing Copays with Kareo

There are various methods of entering a copay in Kareo Practice Management, and the process depends on the one determined by your practice. This guide highlights three scenarios for managing copays in Kareo with recommendations for each.

Once an encounter is entered in Kareo, a patient copay is tracked. If a patient misses his or her copay, Kareo can be set up to automatically bill the patient for any missed copay concurrently with the insurance billing process.

Set up a Practice to Automatically Bill Patients for Missed Copays

You can set up a practice to automatically bill patients for missed copays by going to Settings > Options > Encounter Options and checking the box "Automatically bill patients for missed copays".

Enter Patient Payments with Encounters

You can enter a patient payment as you are creating an encounter by entering the total payment amount in the Payment Amount field. Once the payment amount is entered, additional fields display, such as Method and Category. The payment you entered will be created by the system once you approve the encounter.

Apply Payments When Creating Encounters

You can apply portions of the total payment amount to procedures by entering the amount to apply in the Apply Payment column of each service line. By default, the system will assume you want to apply the total payment amount to the first service line so it automatically transfers the Payment Amount field into the Apply Payment column on the first service line. However, you may change this by entering a new amount in the Apply Payment column for any service line(s) or none at all. Once you approve the encounter, the system will create the charges, create the payment, and apply portions of the payment based upon the Apply Payment column you entered for each service line. If you do not apply the total payment amount, the remaining amount will be left as an unapplied amount on the payment. The unapplied amount can later be located by going to Encounters > Find Payments and can be applied to any open charge.

Bill Patients for Missed Copays

If you set up your practice to automatically bill patients for missed copays (see above), then the system will display the Patient Resp. column on each service line. Use the Patient Resp. column to indicate the portion of the total charges on a service line that you would like to transfer immediately to the patient when the encounter is approved. If you are entering an encounter for a patient with one insurance policy and the Copay Due field has been entered on the patient's insurance policy, the system will transfer the Copay Due amount to the Patient Resp. column, indicating that the patient should be billed for the missed copay concurrently with the insurance billing process.

Scenarios for Managing Copays

Your company's workflow patterns will determine how you can best use Kareo's copay features. The following scenarios are provided as examples using Kareo's recommendations.

Scenario 1: Payments entered with encounters

If you enter payments at the same time you enter encounters, we recommend the following procedures:

1. Set up your practice to automatically bill patients for missed copays. Go to **Settings > Options > Encounter Options** and check the box "Automatically bill patients for missed copays".

2. Whenever possible, enter an amount in the Copay Due field on the insurance policy record indicating the copay required by the patient for typical encounters. This saves time as the system will automatically transfer the missed copay to patient responsibility. It does this by transferring the Copay Due amount to the Patient Resp. column on the first service line of an encounter.

   Note that patients will be billed automatically for missed copays ONLY if a patient has one insurance policy, otherwise, the patient's secondary insurance policy may be responsible for the copay, and thus, it should not be immediately transferred to patient responsibility.

3. Enter the patient payment, a portion of which may include the copay, within the Payments section of the encounter record.

4. When entering service lines on the encounter, if the Copay Due is displayed, we recommend accepting the default value under the Patient Resp. column. However, if a copay is due from the patient, but was not entered on the insurance policy record, we recommend manually entering the copay amount in the Patient Resp. column.

Once an encounter is approved, the system creates charges for each service line on the encounter, transfers the copay amount to the patient, creates the patient payment (if entered), and applies portions of the patient payment to the service lines entered based on the Apply Payment amount.

Note that under this scenario, for any patients that a) have only one insurance policy, b) have any service lines with an amount in the Patient Resp. column, and c) did not make a payment entered within the Payment section of the encounter, the system transfers the missed copay to patient responsibility. The patient will be billed for their portion on the next statement, concurrently while the primary insurance is billed.

Scenario 2: Copays entered by schedulers, prior to encounters

If you use Kareo's front-office scheduling features, and your schedulers accept and enter copays at the point of service prior to encounters, we recommend the following procedures:

1. Set up your practice to automatically bill patients for missed copays. Go to **Settings > Options > Encounter Options** and check the box "Automatically bill patients for missed copays".

2. Whenever possible, enter an amount in the Copay Due field on the insurance policy record indicating the copay required by the patient for typical encounters. This saves time as the system will automatically transfer the missed copay to patient responsibility. It does this by transferring the Copay Due amount to the Patient Resp. column on the first service line of an encounter.

    Note that patients will be billed automatically for missed copays ONLY if a patient has one insurance policy, otherwise, the patient's secondary insurance policy may be responsible for the copay, and thus, it should not be immediately transferred to patient responsibility.

3. Use the Appointment Scheduler to enter patient payments: Right-click on the appointment and select "Create Payment". Enter the payment information on the New Payment window and save without applying any portions to open charges.

4. If you enter the ticket # for a new encounter, or you select a patient, case, and date of service for a new encounter, the system automatically finds the patient payment entered at the point of service. A link to the pre-existing patient payment is displayed in the Payment section of the encounter record; the system can apply the payment to the portion of the new charges assigned to patient responsibility when the encounter is approved.

5. When entering service lines on the encounter, if the Copay Due is displayed, we recommend accepting the default value under the Patient Resp. column. However, if a copay is due from the patient, but was not entered on the insurance policy record, we recommend manually entering the copay amount in the Patient Resp. column.

> In this scenario, patient payments are created by schedulers before encounters are created. Once an encounter is approved, the system creates charges for each service line on the encounter, transfers the copay amount to the patient, creates the patient payment (if entered), and applies portions of the patient payment to the service lines entered based on the Apply Payment amount.
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> Note that under this scenario, for any patients that a) have only one insurance policy, b) have any service lines with an amount in the Patient Resp. column, and c) did not make a payment entered within the Payment section of the encounter, the system transfers the missed copay to patient responsibility. The patient will be billed for their portion on the next statement, concurrently while the primary insurance is billed.

Scenario 3: Copays entered separately, after encounters

If you enter copays as a separate process from entering encounters, we recommend the following procedures:

1. Set up your practice to automatically bill patients for missed copays. Go to **Settings > Options > Encounter Options** and uncheck the box "Automatically bill patients for missed copays".

2. Whenever possible, enter an amount in the Copay Due field on the insurance policy record indicating the copay required by the patient for typical encounters. It does this by transferring the Copay Due amount to the Patient Resp. column on the first service line of an encounter.

3. Leave the Payment section of the encounter blank since you plan to enter payments separately from entering encounters.

4. Enter patient payments separately through the New Payment function (Encounters > Receive Payment). Transfer a portion of the balance on a charge to patient responsibility (optional), and apply portions of those payments towards the charges.

Following these procedures prevents patients from being billed for missed copays. In this scenario, once you approve an encounter, the system creates charges for each service line on the encounter and transfers the full balance on the new charges to insurance (unless it's a self-pay patient). When you subsequently enter the patient payments, you can manually apply them to any portion of the balance on the charge, even if you have not transferred a portion of the balance to patient responsibility.

If you need additional support, please contact us at http://www.kareo.com/help/contact.