

# Remittance **Processing**<sup>TM</sup>

User Manual  
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# Contents

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<b>CHAPTER 1</b> .....	<b>1</b>
GETTING STARTED .....	1
Introduction.....	1
Electronic Remittance Sign Up.....	2
The Manual .....	2
Technical Support.....	2
<b>CHAPTER 2</b> .....	<b>3</b>
USING REMITTANCE PROCESSING .....	3
Overview.....	3
Sending Electronic Claims.....	3
With a Lytec Product .....	3
Without a Lytec Product.....	3
Downloading the Remittance File .....	4
With a Lytec Product .....	4
Without a Lytec Product.....	5
Setting Up Transaction Codes.....	5
Previewing the Remittance File .....	6
Posting the Remittance File.....	7
Reading the Remittance Post Report.....	9
Revising Remittance Transactions.....	9
Frequently-Asked Questions.....	9
<b>APPENDIX A</b> .....	<b>11</b>
LEGAL INFORMATION .....	11
Copyrights .....	11
Disclaimer.....	11
License Agreement .....	11
Permitted Uses .....	11
Prohibited Uses .....	12
Limited Warranty.....	12



# Chapter 1

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## Getting Started

### Introduction

Remittance Processing can be thought of as an electronic EOB. Your insurance company generates a file for the office containing all the payment information that is seen on a paper EOB. Remittance Processing uses remittance files already downloaded from your clearinghouse or insurance company to post the payments to patient accounts.

To post payments correctly to Lytec, the claim file you send must include a Line Item Control Number for each charge. When an insurance company processes a claim file and returns the remittance file, it ties the Line Item Control Number to the charge's payment. The claim file must include this information so the remittance file can post the correct payment to each charge. Lytec automatically generates the Line Item Control Number from the billing number and the detail item number. It is stored in the Claim Detail – Detail ID field.

Once you post a remittance file, the payment and adjustment information is saved for the claim. This information will then populate the **Remittance Tracking Information** screen so the payments and adjustments are sent when you bill the secondary insurance company electronically.

The Remittance Tracking Information feature allows users to store and access information sent back by the primary insurance carrier. This information may be sent in Electronic Remittance Advice (ERA) files or on the Explanation Of Benefits (EOB). When billing a secondary carrier, this information may be necessary in order to get paid the correct amount. Information sent back in ERA files is automatically posted to the **Remittance Tracking Information** screen when an ERA file is downloaded or viewed through one of Lytec's electronic claims programs. If the information sent in the ERA file is incorrect, you can change the information and then resend the secondary claim.

You can view the Remittance Tracking Information when you send the secondary claims. It appears after you select the ranges for the secondary claims.

Be sure you have completed enrollment with the carrier before sending claim files so that you can receive remittance files.

## **Electronic Remittance Sign Up**

Before an insurance company will generate remittance files for your practice, the provider must request the service. If you send electronic claims through a direct claims module, contact the insurance company to enroll in electronic remittance. If you send electronic claims through the clearinghouse, contact your local Value-Added Reseller or sales at (800) 333-4747.

You can use Remittance Processing even if you do not send electronic claims through a Lytec product. Contact the insurance company directly to enroll in the service. Also, see page 3 for information on what needs to be included in your claim file to post remittance files with Remittance Processing.

**Note:** After you have received approval from the insurance company, it could take up to three (3) weeks before you receive your first remittance notice.

## **The Manual**

This manual is for Remittance Processing integrated with Lytec 2008. It includes information on set up and basic features. For the most current technical information, go to the Lytec Knowledge Base at [www.lytec.com/kb](http://www.lytec.com/kb).

## **Technical Support**

Contact your local Value-Added Reseller or technical support at (800) 689-4550.

There are two important numbers for you to have on hand when calling support. You will first be asked for your Customer Number. You may then be asked for your Serial Number. These numbers should be recorded for easy access.

# Chapter 2

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## Using Remittance Processing

### Overview

After you have enrolled for remittance with your insurance company/clearinghouse, there are five basic steps to posting insurance payments through Remittance Processing.

1. Send electronic claims to your insurance company or clearinghouse.
2. Download the remittance file from the insurance company.
3. Set up the transaction codes to use when posting payments and adjustments. Unless you need to modify the codes, you should only have to do this once.
4. Preview the remittance file.
5. Post the remittance file.

### Sending Electronic Claims

#### With a Lytec Product

If you send electronic claims with a Lytec electronic claims product, refer to the user manual for instructions on setting up and sending claims. The claim file that any Lytec electronic claims product generates has all of the information Remittance Processing needs to match charges and payments from the remittance file. After you have begun sending electronic claims, you can download the remittance files from the insurance company. Skip to the **Downloading Remittance Files** section for information.

#### Without a Lytec Product

If you do not send electronic claims with a Lytec product, you can still use Remittance Processing. You must, however, include certain information in the claim file. Regardless of the claim file format you send (print image file, ANSI, or NSF), it must include a Line Item Control Number for each charge. When an insurance company processes a claim file and returns the remittance file, it uses the Line Item Control Number to tie a payment to the charge. The claim file must include this information so the remittance file can post the correct payment to each charge.

Lytec automatically generates the Line Item Control Number. It is stored in the Claim Detail – Detail ID field. You cannot edit this field in Lytec, but it is available to be sent with your claim file.

- **Print Image Files**

If you send print image files to the insurance carrier, you must include the Claim Detail – Detail ID field on the custom report form you use to generate the file. Each insurance company individually determines where this information goes, so you must contact the company to find out where to put the field on the custom form.

- **ANSI Claims**

If you send ANSI claims, you must include the Claim Detail – Detail ID field in the REF segment 6R qualifier record.

- **NSF Claims**

If you send NSF claims, you must include the Claim Detail – Detail ID field in the FA0 record field 4.

After you have begun sending electronic claims with the Claim Detail – Detail ID field in the claim file, you can download the remittance file from the insurance company.

**Note:** If you do not use a Lytec Electronic Claims product to process claims, the **Remittance Tracking Information** screen will not be automatically populated with the payment and adjustment information when you post remittance files. You will have to enter the information manually to send the payment and adjustment information with secondary electronic claims.

## Downloading the Remittance File

### With a Lytec Product

How you download the remittance file depends on the insurance carrier/clearinghouse to which you send. There are two methods to download the remittance file. To determine the method you need to use, perform the following test.

1. Go to the **Billing** menu in Lytec and select **Electronic Claims**.
2. In the **Find EDI Receiver** window that opens, select the EDI receiver for which you want to download the remittance file.
3. The **ANSI X12** window opens for the receiver. Click the **Electronic Remittance** button. If a message appears that asks if you want to download new electronic remittance files, click **Yes**. You will use this method to download electronic remittance files.
4. If that message does not appear when you click the **Electronic Remittance** button, you will need to click the **Receive Reports** button in the **ANSI X12** window to download remittance files.

**Warning:** You should perform a backup on your data **immediately** after downloading files in case a problem occurs while posting.

After you have downloaded the remittance file you will normally go into Remittance Processing to preview and then post the file. The first time, however, you must set up your transaction codes. Skip to the **Setting Up Transaction Codes** section.

### Without a Lytec Product

If you do not send electronic claims with a Lytec electronic claims product, you must contact your insurance company for information on downloading remittance files. After you have downloaded the remittance file you will normally go into Remittance Processing to preview and then post the file. The first time, however, you must set up your transaction codes.

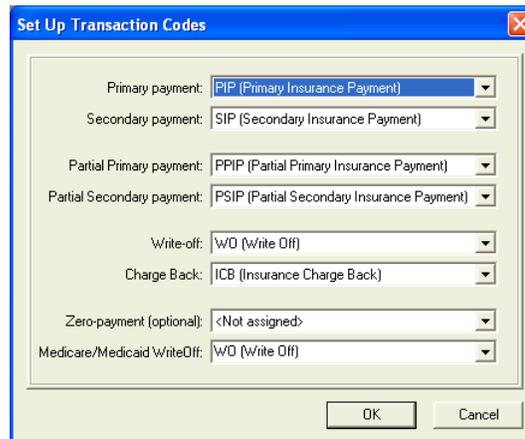
## Setting Up Transaction Codes

To set up transaction codes, follow these steps.

1. Go to the **Billing** menu in Lytec and select **Electronic Remittance Advice**.

**Note:** Remittance Processing is sometimes called Electronic Remittance Advice (ERA).

2. If this is the first time you have gone into the remittance program, the **Set Up Transaction Codes** window automatically opens. If it does not, go to the **File** menu and select **Set Up Transaction Codes**. The **Set Up Transaction Codes** window opens.



3. You must enter a transaction code for each type of payment and write off except the zero payment. To select a transaction code, click the down arrow to the right of the field.

4. To use the **Zero payment (optional)** field, you must first create a zero payment transaction code in the Lytec **Transaction Codes** window. Assign **Insurance Adjustment** as the zero payment transaction code's type. If you enter a zero payment transaction code here, you can use it when posting zero dollar but complete insurance payments.
5. Click **OK** to save the transaction codes and exit the window.

If you ever need to change the transaction codes, just go to the **File** menu and select **Set Up Transaction Codes**. After you have set up the transaction codes, you are ready to preview the remittance file.

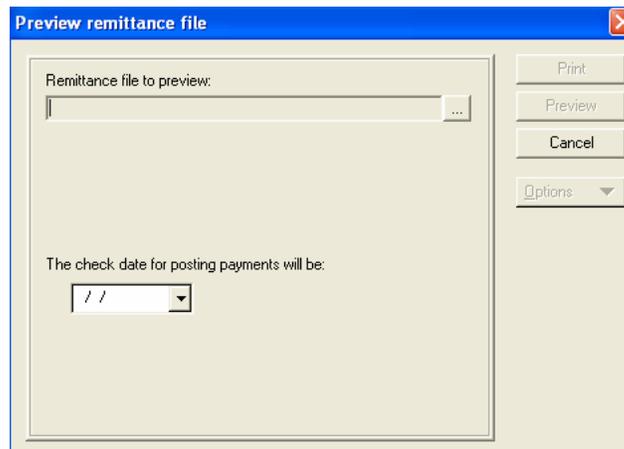
## Previewing the Remittance File

To preview the remittance file, follow these steps.

1. Go to the **File** menu and select **Preview remittance file**. The **Please select the remittance file** window opens over the **Preview remittance file** window.
2. Click the down arrow to the right of the **Look in** field to browse to the location of your remittance file. The default location of the remittance file is the practice's data folder.

**Note:** If you do not use a Lytec product to send electronic claims, you will probably need to change the **Files of Type** field from **Electronic Remittance Notices** to **All Files**.

3. Highlight the remittance file and select **Open**. You will be back in the **Preview remittance file** window.



4. Enter a date in **The check date for posting payments will be** list.
5. Click **Print** or **Preview** to print/view the payments that will post from this remittance file.

6. Review the file and make sure it is correct before you post the payments.

After you have reviewed the file, you are ready to post the remittance file.

## Posting the Remittance File

Remittance files are named with a Julian date (i.e., the number of the day of the year, 1 through 365), the hour and minute received (using a 24-hour clock), followed by a number representing the sequence in which the report was downloaded (i.e., the first report downloaded in a day is assigned the number 1, the second report in a day is assigned the number 2, etc.), ending with an .ERA extension. For example, the first file downloaded on January 1<sup>st</sup> at 8:30 AM would have the name: 108031.ERA, and the third file downloaded on January 1<sup>st</sup> at 11 AM would have the name 111003.ERA.

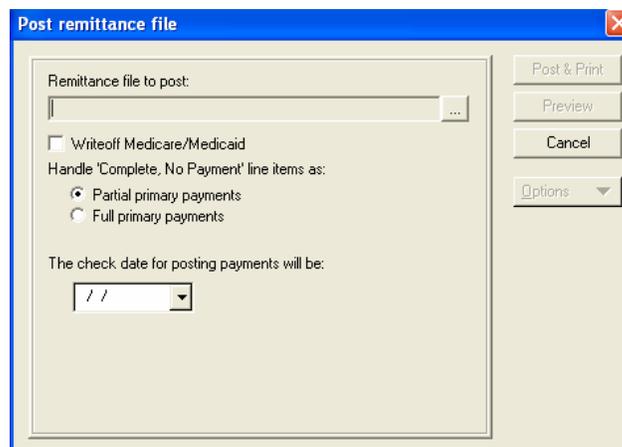
**Note:** The newest file will have the highest number in any given calendar year.

To post the remittance file, follow these steps.

1. Go to the **File** menu and select **Post remittance file**. The **Please select the remittance file** window opens over the **Post remittance file** window.
2. Click the down arrow to the right of the **Look in** field to browse to the location of your remittance file. The default location of the remittance file is the practice's data folder.

**Note:** If you do not use a Lytec product to send electronic claims, you will probably need to change the Files of Type field from Electronic Remittance Notices to All Files.

3. Highlight the remittance file and click **Open**. You will be back in the **Post remittance file** window.



4. Check the **Write off Medicare/Medicaid** box to write off adjustments and coinsurance amounts automatically for certain Medicare/Medicaid claims. See the Write Off Medicare/Medicaid section on the next page for the criteria.
5. The insurance company sometimes sends a zero dollar payment that completes its responsibility. In the **Handle 'Complete, No Payment' line items as** section, choose either **Partial primary payments** or **Full primary payments** to indicate how you want to apply these zero dollar payments. If you entered a zero payment transaction code in **Set Up Transaction Codes**, you can also choose **Zero payment transactions** as a way to apply these zero dollar payments.
6. Enter a date in **The check date for posting payment will be** list.
7. Click the **Post & Print** button to print a report indicating how the program will post the payments. A message box appears asking if the posting report printed correctly.
8. Read the report carefully. If you read the report and determine it is correct, click **Yes**.
9. If you read the report and see an error, you have two choices. You can click **No** and manually post all the payments. Or you can click **Yes** and fix the posting errors in Lytec.
10. If the program encounters errors while posting, it will not post the transaction containing the error. It searches for the next entry number and continue with the next transaction. Any error encountered is noted in the summary report.
11. Once the file has been posted, the program changes the remittance file's extension to .PST and stores it in the same folder.

**Caution:** It is possible to repost a remittance file, but it could result in multiple transactions. If the need arises to repost a remittance file, we recommend that you contact technical support at (800) 689-4550 before you proceed.

■ **Automatic Medicare/Medicaid Write Offs**

If the following conditions are met, ERA will automatically write off a charge's adjustment plus the coinsurance amount:

1. The primary insurance is Medicare and the secondary insurance is Medicaid.
2. Medicare returns a coinsurance amount other than zero in the remittance file.
3. Medicare returns a deductible amount of zero in the remittance file.
4. Medicare returns an MA18 or MA07 code in the remittance file. These codes indicate Medicare either forwarded the claim to the secondary or forwarded the claim to Medicaid.
5. You check the **Write Off Medicare/Medicaid** box in the **Post Remittance File** window.

### ■ **Late Filing Fees**

If the remittance file contains a late filing fee on the patient level, ERA will automatically adjust the payment amount. Because the insurance actually makes the entire payment and then takes back the late fee amount, the program applies the fee as a charge back from the insurance.

If the insurance company sends a late filing fee on the provider level, ERA does not handle it since the program has no information on which patient to apply it to.

### **Reading the Remittance Post Report**

The remittance post report shows how the remittance program will post payments in Lytec. When matching up payments and charges, the remittance program first looks for a matching Line Item Control Number. This number identifies the billing number and billing detail item number for each charge. It is sent in the claim file to the insurance company (located in FA04 for NSF claims and the REF segment 6R qualifier for ANSI claims). When an insurance company processes the claim file and returns the remittance file, it ties the Line Item Control Number to the charge's payment.

If the program does not find a matching Line Item Control Number, it then searches the patient's billings to match the service date and CPT code. If it finds a match, it will post.

### **Revising Remittance Transactions**

Once posted, the transactions created by Remittance Processing appear the same in Lytec as if entered by hand. If any modifications need to be made, the transactions are handled in the same manner as any transaction entered by hand.

### **Frequently-Asked Questions**

- Q. If I use Remittance Processing, do I also have to use EFT (Electronic Fund Transfer)?
- A. No; however, deposit reports would be more accurate if you did use EFT because the date of issue would be entered in the program, not the date you received the verification of payment.
- Q. If I receive a check instead of an EFT and have already posted the payments, how do I handle the check?
- A. The check has already been applied, so it is already in the system.
- Q. If I get a major error code, how does that affect the data?
- A. If you get a major error, it means the report does not contain all the information expected and the program will not automatically post the payments. You'll have to post these payments by hand when you receive the check and/or EOB.

- Q. What effect does changing insurance information in a billing have on how Remittance Processing works?
- A. The insurance information must be the same at the time of posting as it was at the time of filing the claim. Otherwise, the software cannot post accurately. If insurance information changes during the billing process of a claim, create a new case for the patient containing the new insurance information. **DO NOT ALTER THE EXISTING BILLING INFORMATION OR YOU WILL HAVE TO MATCH AND POST CLAIMS BY HAND.**

# Appendix A

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## Legal Information

### Copyrights

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### Disclaimer

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