PointClickCare®

Session Guide:
Setting Up General Ledger & Adjustment Types

After this session, billers and system administrators will be able to:

- Understand how General Ledger and Adjustments are organized in the software

- Create and Manage General Ledger

- Create and Manage Adjustment Types

Understanding General Ledger "GL" Codes Setup

Agency/Branch Setup

General ledger base account components are defined at the administrative level for an agency in the **Admin > Branches > Business line tab**.

Each business line needs *GL Account Components* setup by entering the GL code that aligns with each section. Your financial configuration specialist will configure these accounts upon implementation, this guide will assist your agency on how to manage them going forward.

GL ACCOUNT COMPONENTS

Branch/Business Line Component*	MINNESOTA
Default Accounts Receivable Base Account*	ARBASE
Cash Depository Base Account*	CASH
Default Revenue Base Account	REVBASE
Default Episodic Revenue Base Account	EPISODIC
Default Episodic Deferred Revenue Base Account	

Branch/Business Line	This code represents which branch performed the requested service for which the agency is owed. This component is required to be configured but you do NOT have to use it as a selection within your GL segments. If you do not utilize a branch/business line segment, you can simply note a generic term or number and remove that line item from your GL segment setup configuration.
Accounts Receivable Base Account	Accounts receivable in the system is the representation of the debt owed to the organization on whose behalf we are billing and tracking. This code represents which transactions are generated for a service in which the organization is owed a payment. This is also relieved when the payment for that debt is received or when an adjustment has occurred. This base account code applies to all AR transactions.
Cash Depository Base Account	The cash depository base account code tracks the cash that the organization has received and when it was applied against existing debt and applies to all GL segments that apply to cash transactions. Any cash received but not applied against debt is referred to as "unapplied cash". When cash is applied, it reduces the Accounts Receivable of the associated invoice, because it is paying off the debt.
Revenue Base Account	Revenue is the money an organization generates through their business operations as a function of sales of services and/or products. As part of the accounting function, revenue is offset by the balancing entry to Accounts Receivable. The revenue base account code applies to all revenue transactions. There is an option to customize an *Episodic Base Account* for episodic payers, this entry would replace the revenue base account segment for those transactions. Currently, we do not configure deferred revenue.

Procedure

1. Go to the **Administration** tab > **Admin Setup > Branches** section, select **Actions** > **Edit** on the branch you want to setup.

2. Select **Business lines** tab.

3. Navigate to the business line you want to work on and select **Edit**.

4. This will bring you to the Business Line setup screen. The items within the red box you do not want to make any changes to. The items in the green box, you want to apply your general ledger setup as shown above.

5. Here is where you can configure the base account components. Complete each component and click **Accept**.


Understanding General Ledger "GL" Segments Setup

The general ledger configuration starts with our GL Segments section. GL segments are defined at the administrative level for an agency in the **Admin > Financial > GL Segments** section. This section is used to fully configure your agency's qualified general ledger string. Each general ledger string is composed of general ledger segments. The three base GL segments to customize are Cash, Receivables, and Revenue. There is also a customizable separator, based on how or if your GL string segments are separated.

Here you can see the default GL string setup by segments, and separator (dash).

Account Type	Segments
Cash Account	Business Line - Cash Base Account
Receivables Account	Business Line - AR Base Account - Payer Plan
Revenue Account	Business Line - Revenue Base Account - Payer Plan

Each segment can be customized with the following separator types.
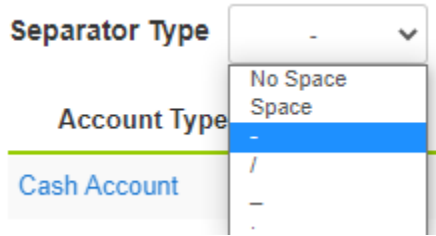
Procedure

1. Go to the **Administration** tab **> Financial** section, select **GL Segments**.

2. Click the **blue hyperlink** for each account type.
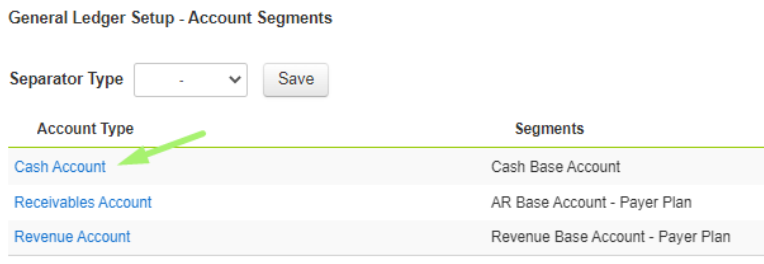
3. An edit *GL Account Segments* dialog will appear. Configure each box to set your GL segment string.

Segments to add to the GL string.

Preview of what the GL segments string will look like.

Use to populate default value to appear in this segment in place of the codes set at the branch level.

If using a default value, this is where you specify what that value is.

Selecting this will place the designated separator between the next segment.

Selecting remove will remove that segment from the string. Base Accounts can not be removed.

Tip: There is a drag and drop feature to reorder the segment sequence. Simply grab the item line and hold your mouse while you move it into the correct order. This will update your segments preview order.

Note: There is a maximum of 8 segments you can add to the string which includes the 3 default segments business line, base account, and payer plan.

4. Select **Save**.

Payer/Plan Setup

The **Payer Plan** component of the general ledger entry is populated with the **GL Payer Plan Component** field off the plan associated with the claim. This component is required to be configured; however, you do NOT have to use it as a selection within your GL segments. If you do not utilize a payer/plan line segment, you can simply note a generic term or number and remove that line item from your GL segment setup configuration.

Example:

This is the default configuration

Receivables Account	Business Line - AR Base Account - Payer Plan

This would be a configuration without the Payer Plan component

Receivables Account	Business Line - AR Base Account

GL Payer Plan Component will serve as your payer plan segment within your GL string. This component cannot be customized per base account (Cash, AR, Rev), meaning the payer plan reported on the AR transactions would be the same reported on the revenue transactions, if that part of the string is enabled.

Service/Discipline GL codes

The **Service/Discipline** component of the general ledger string is populated with the **GL Revenue Base Account** component field off the Discipline/Service associated within the GL code setup. Service/Discipline specific general ledger reporting is only available for FFS payers, episodic payers do not report service/disciplines separately as a part of the GL segment.

GL AP Base Account is not currently utilized.

GL Revenue Base Account replaces the revenue base account on the branch setup, if configured.

Understanding Adjustment Types Setup

There can be multiple Adjustment Types setup within your database. Adjustment types are defined at the administrative level for an agency in the **Admin > Financial > Adjustment Types** section. A user may define an adjustment type as needed, per agency accounting requirements, and must associate it to a category.

In addition, for each adjustment defined, a user must associate the GL Base account to be used in financial reporting for tracking journal entries to revenue (with receivables as the offset). How revenue is tracked depends on the adjustment category associated with the adjustment type.

Utilizing the **Enabled** checkbox will activate and deactivate the ability to use that adjustment type.

- **Name**, this will be what populates when a user picks an adjustment.
- **Description**
- **GL Base Account**
- **Category**
  - Write-off Adjustment
  - Interest Adjustment
  - Transfer Adjustment
  - Revenue Adjustment
  - Provider Adjustment
  - RAP Reversal Adjustment

The *GL Base Account* configured here, replaces the *Revenue Base Account* segment within GL string for these transactions.

Adjustment Type Categories

Write-off Adjustment	A write-off adjustment is used when an agency expects that full payment for services provided will not be collected.
Interest Adjustment	An interest adjustment is typically used to recognize additional revenue when a payer has remitted a reimbursement greater than the claim amount; this may happen in cases where they have taken an overly long time to pay on the submitted claim
Transfer Adjustment	Transfer adjustments are used to allocate a portion of a payment to another payer or to the patient. The "PR" (Patient Responsibility) group code is the only group code in the drop down when entering adjustments that is available to use with this adjustment type. Transfer adjustments can only be made between the same payer reimbursement types.
Revenue Adjustment	A Revenue adjustment is an adjustment up or down to account for a difference between the expected and actual reimbursement.
Provider Adjustment	Provider adjustments take money back from an overpaid invoice and applies it to the receipt within the deposit.
Rap Reversal Adjustment	Upon submitting the final claim, we add an adjustment to the RAP to write off the estimated reimbursement from revenue, this is to avoid revenue booked on both RAP and Final. The RAP Reversal adjustment type is automatically applied to PPS and PDGM RAPs.

Note: *Small Balance Adjustments* are hardcoded to the write-off adjustment type. Small Balance Adjustments have an additional configuration detailed below.

Payer Configuration Adjustments are automatic contractual adjustments that do not report separately within your journal entries.

Procedure

1. Go to the **Administration** tab **> Financial** section, select **Adjustment Types**.

2. Select the **Add** button beside Adjustment Types.

3. **Complete** the fields:

   - Name

   - Description

   - GL Base Account

   - Category

4. Select **Accept** (Repeat for every adjustment needing to be enabled within your database).

Small Balance Adjustment Setup

Adjustment types are defined at the administrative level for an agency in the **Admin > Financial > Adjustment Types** section. Small balance write-offs are hard coded to the write-off adjustment category within the adjustment types list and are available in a singular or bulk action. When the reimbursement payment is different than the expected reimbursement booked, small balances could remain on your aging. Utilizing small balance adjustments will assist your agency in maintaining a clean A/R aging. You can complete small balance adjustments in bulk for up to 100 claims at a time.

To utilize this feature, you want to set your small balance parameters. This is configured within the agency setup.

Procedure

1. Go to the **Administration** tab **> Admin Setup** section, select **Agencies**.

2. Select, **Edit.**

⬍ Name	Address	Phone	⬍ Enabled	
PointClickCare Home Health	3500 American Boulevard W Bloomington 55431	(436) 862-1586	✔	Edit

3. An Edit Agency dialog will appear, select the **Misc.** tab.

4. Set the **maximum credit balance** and the **maximum outstanding balance** parameters. The system will then recognize these parameters when flagging claims within the bulk adjustment feature to write off.

5. Click **Accept** to save.

Associated Reports

Setup GL Codes	Displays the GL code table setup for services/disciplines.
Setup Payer Plans	Shows administration Payer Plan setup including the GL code specific to each plan.
Setup Adjustment Types	Displays setup configuration for adjustment types.
Setup Branches	Shows administration Branches setup including the GL base coding.

Notes