Understanding Accounts Receivables

The Accounts Receivable (A/R) section of the remittance advice (RA) reports on any dollars being taken back from the provider. This section will include an A/R created as the result of a claim adjustment, a void, or a recoupment of an advance payment that was issued. Below is an example of an A/R section, followed by an explanation of the fields. For more information about the RA, please refer to the Guide to the Remittance Advice for Paper Claims and Electronic Equivalents, which can be found in the Provider Library at www.mass.gov/masshealth.

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--------------------------ACCOUNTS RECEIVABLE---------------------

              SETUP    RECOUP THIS   ORIGINAL      TOTAL                     REASON   ADJUSTMENT
A/R NUMBER    DATE     CYCLE         AMOUNT        RECOUPMENT    BALANCE     CODE     --ICN--
0000000060408 040109      50.00      100.00        100.00          0.00     0001
0000000060542 052609     100.00      100.00        100.00          0.00     0001
0000000060543 052609      75.00      100.00         75.00         25.00     0001
5209100002004 052609       0.00       85.00          0.00         85.00     8400     2009001001003
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Field	Description
A/R Number	This is a unique identifier for the accounts receivable that is assigned during processing.
Setup Date	This is the date the original A/R was set up.
Recouped This Cycle	This is the dollar amount recouped in this financial cycle. The amount recouped equals the balance amount or the amount of the payments.
Original Amount	This is the amount set up in the original A/R. This could be the amount of the adjustment or void, or the amount of the advance payment.
Total Recoupment	This is the sum of A/Rs recouped in the current cycle and previous cycles and equals the original amount less the balance.
Balance	This is the A/R balance remaining after the current weekly financial cycle processes and equals the original amount less the total recoupment.
Reason Code (A/R)	This is the reason code that identifies the type and reason the A/R was established.
Adjustment ICN	This is a unique number used to track claims activity through the system. If the AR was set up as the result of an adjustment or void, this number is the adjustment or void ICN. For manually established accounts receivables, this field is left blank.

In the first example above, a recoupment of $100.00 was set up on April 1, 2009. $50.00 was recouped in a previous financial cycle leaving a $50.00 balance. That balance was recouped in this financial cycle leaving a $0.00 balance on this item.

In the second example, a recoupment of $100.00 was set up on May 26, 2009. This was the first financial cycle for this recoupment, and there were adequate claims payments to recoup the full $100.00, leaving a balance of $0.00.

In the third example, a recoupment of $100.00 was set up on May 26, 2009. This was the first financial cycle for this recoupment, and there were not adequate claims payments to recoup the full $100.00, which left a balance of $25.00 to be recouped during the next financial cycle in which claims are paid.

In the fourth example, a recoupment of $85.00 was set up on May 26, 2009, as the result of a claim adjustment. This was the first financial cycle for this recoupment, and there were not adequate claims payments to recoup the $85.00, which left a balance of $85.00 to be recouped during the next financial cycle in which claims are paid.