B/P/P Operations Center

Billing - Frequently Asked Questions

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1) What do I do when I am notified that a drafted account had insufficient Funds?

When you receive a notice that a drafted account had insufficient funds, you must go the Receipt Entry Screen (642) and zero-out the receipt for that invoice to reflect that the payment was not received. The best course of action at that point is to also zero out the invoice on the Bill Request Screen (641) and then request a new bill for that coverage month. That way, when you receive payment, you can enter that payment on the new invoice. You should also turn the person's bank draft off. This can be done by blanking out the bank draft information on Screen 118. This will assure that no more premiums are drafted until all past due amounts are paid.

2) What do I do if only a partial amount of a bank drafted amount needs to be refunded?

A person paying by draft can now be adjusted the same as a person who sends in a check. This change is allowed now since ACH transactions are shown separately in FAMIS. So for example, if a person was drafted for Employee and family coverage, when he should have been billed for just Employee-only coverage, both the Bill and receipt should be changed to reflect Employee only coverage; just as you would a person sending in a check.

3) How does the due date on the Billing Information Screen (118) get updated?

The due date gets updated with the billing month-end job (BILL0007). If the retiree has enough money in the Current Balance column on Screen 118 to pay the entire amount required in the Current Charges column, then the due date will be set forward to the next month. If the retiree has not paid, then the due date is not adjusted. The month-end job is usually run the night before bills are run (BILL0008).

4) A Person has just retired from being an active employee, or a working retiree. How is this handled?

The month an employee retires; the individual will be charged insurance premiums for the current month as an employee and billed for the coming month as a retiree. In order to do automated bills, the Benefit Maintenance Screen (106) must be changed prior to BILL0008 running to reflect any changes in insurance coverage and premiums due to retirement. However, Screen 106 must not be changed before the person's last paycalc has been run. In cases where the last paycalc falls after BILL0008 is run, the procedure to follow is: Wait until the last paycalc has been run; change Screen 106; and request a new invoice for the coming month using the Bill Request Screen (641). Then a bill will be printed by BILL0004 – mid month Bill processing.

Two examples: Assume that the employee retiring is paid monthly.

1. If the automated bills (BILL0008) are run before the monthly paycalc, so Screen 106 cannot be changed prior to BILL0008, a new invoice for the coming month should be requested using Screen 641. The requested bill will be printed by BILL0004.

2. During a month that has the last paycalc before BILL0008, Screen 106 can be changed the day after paycalc has run. Then the automated bills will be created by BILL0008, so there will be no need to request a bill.

5) **Can an employee be put on Draft the same month he/she becomes a retiree?**

Bank drafts can only be created through the automated billing process (BILL0008). You **cannot** request a bank draft through the Bill Request Screen (641). As explained above, if an automated bill is to be generated in the same month that the employee retires, the last paycalc has to fall before automated bills are run. In addition, the individual's bank draft information must be entered on Billing Information Screen (118) in the employee maintenance file prior to the time that BILL0008 is run. During months where BILL0008 is run before the last paycalc, the new retiree will have to receive a printed bill for his/her first month of retiree insurance premiums. During months when BILL0008 is run after the retiree's last paycalc, the retiree's first month's of premiums can be drafted if the draft information is set-up on Screen 118 prior to BILL0008.

6) **A Person has paid more than the invoice amount, what should I do?**

There are 2 ways to handle this situation.

1. You could enter the total amount received, which will cause the next printed bill to be of a lesser amount. OR,

2. You could refund the amount paid over what was due. You should NEVER request an invoice to try and handle this situation. The only time you should request an invoice is when there is a past month during which the retiree owed premiums but no invoice was created.

7) **What do I do when premiums that should have been paid by the state were billed to and paid by the employee?**

This generally happens when an employee was supposed to be on FMLA leave status, but they were coded with an "L" (Leave Without Pay - LWOP) deduct code. When on FMLA leave status the employee is entitled to state paid health benefits. When they are on LWOP leave status, they do not get state-paid benefits. If the employee was billed for amounts that should have been state-paid, both the invoice and the receipt will have to be adjusted. Let's say the original billed amount was for $263.28 for medical, and $3.10 for basic life, both of which were billed to the employee. The invoice should be modified by zeroing-out the employee deduct amounts and placing those amounts in the employer deduct amount fields. The receipt can be adjusted by zeroing out the receipt amounts. Then you will need to issue a refund to the employee.

8) **When will I need to request a new invoice through the Bill Request Screen (641)?**

The only time that you should request a new invoice through the Bill Request Screen (641) is when you are billing someone for amounts already due. The most common reason is because a new retiree's Benefit Maintenance Screen (106) did not get changed in time to have their first automated bill printed. If Screen 106 doesn't get changed until after BILL0008 has run for the month, then you will need to go in and request a bill for the coming month - these amounts are already due. Never request a bill for amounts that will be due in the future. This will result in double billing since the automated billing program will also create an invoice when it is run. The same rule holds true for adjustments. You will most usually need to use Screen 641 to adjust a bill when the retiree's coverage has retroactively changed.

9) What should I do if a retiree or retiree's spouse dies, and we find out several months after-the-fact?

When a retiree or spouse of a retiree dies and you don't find out until a month or two later, you will need to go in and cancel coverage back to the end of the month in which they died. You should also back out all the invoices after that time changing all the invoice amounts (including employer amounts) to 0. If the retiree was on bank draft or had pre-paid premiums, you will also need to back out the receipt amounts and issue a refund.

10) What should I do if the retiree pays, but the payment is for less than the total due?

When the payment received is for less than the total amount due, you must enter the exact amount paid on the Receipt Entry Screen (642). Your Human Resources office probably has a policy about what coverage order to use when applying the payment. Usually medical coverage is the top priority. Enter the total amount received, and divide the payment among the premiums as dictated by your system member's policy. The retiree will receive a past due letter for those coverages left under-paid, and the next bill printed will also show the past due amounts.

11) I need to change medical carriers for a retiree. How is this handled?

Changing the medical carrier on the Benefit Maintenance Screen (106) should be done after BILL0007 has run but before bills are produced through BILL0008. This is usually a one day period. Waiting until BILL0007 has run will complete the cycle for the old medical carrier and will prevent errors from happening on the *Due to Carriers* report.

If Screen 106 is changed after BILL0008 has run, the bill would have run under the old carrier. In order to clean this up, the entire bill should be backed out, both employee and employer amounts. A new bill should be made which will fall under the new medical carrier. If the receipt was **not** a bank draft, the receipt can be corrected under the old invoice. If the receipt was a bank draft, the entire receipt should be backed out and the corrected amounts should be posted under the new invoice.

12) Can a change be made to the Billing ACH after it has been created but before the drafts are posted?

Automatic drafts for billing are similar to automatic deposits in the payroll process. For payroll, payments are created and sent to the banks. The payment cannot be updated and employees cannot access the payments until posted by the banks. Similarly, once the drafts for billing have been created and sent to the banks, the file cannot be changed.

13) I have corrected a retiree's overpaid bills and Screen 118 now shows a credit for those months. However, the Bank Draft Report does not show a credit. Is there a way to get the credit to the employee before the next bank draft is made?

Bank drafts are not altered by a credit payment and they will always draft exactly the premium amounts as they appear on the 106 screen. Only printed bills will adjust the amount due when there is an overpayment.

BILL0008 sends the transactions to the bank. Once it is run, the drafts can't be changed.

In order to deal with the overpayment, you will either have to switch this employee off of bank draft or give them a refund.

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