

## Payment Modifications Overview

### Payment Modifications

There are three different types of Payment Modifications:

- Refund/Recovery
- Cancellations (Refund)/Cancellation (Recovery)
- Adjustment Reversals & Correcting Entry Adjustments

Payment Modifications are used after a Payment Request or Posted Payment has been completed to modify the information about what was paid, and to include the Payment information in claiming and in state reporting. Payment Modifications adjust amounts associated to Service Arrangements, Service Arrangement Groups and COA Maximums. Payment Modifications are not interfaced to the agency accounting system; they are manually entered into both SSIS and the agency accounting system.

After a payment has been made, few fields are editable and the user must have Edit Payment Reporting Fields assigned to their Role in Admin to edit these fields. However, any Payment or Posted Payment that is associated with a Healthcare, IV-E, Northstar or RCA Claim has additional fields disabled.



*Best Practice: The majority of fields are editable on Posted Payments, however, it is best practice to use Payment Modifications for tracking and audit purposes rather than just changing the information on the Payment in SSIS.*

Users must have Create Payment Modifications assigned to their role in SSIS Admin to complete any Payment Modifications.

### Refund/Recovery

A Refund is a full or partial payment received from the vendor in the same calendar year as the Warr/eff. date of the Payment.

Recoveries, also called Revenues, are a full or partial payment received from the vendor in a year subsequent to the Warr/eff. date of the Payment.

For both refunds and recoveries, the number of units and amount can be the same or less than the original Payment. The associated Service Arrangement, Service Arrangement Group and COA maximums are adjusted by the Refund or Recovery. Refunds reduce the expenditure amount and the number of units on State reports. Recoveries do not reduce the amount on

State reports and are recorded as revenue in your agency accounting system and SEAGR.



#### Hints:

- *There is no interface between SSIS and your agency accounting system for modifications. You must manually enter modifications in SSIS and journal entries into your agency accounting system to ensure accurate reporting from both systems.*
- *Review the Transaction tab to view any Payment Modifications completed on a Payment with a Paid status.*
- *Refunds and Recoveries can be edited or deleted.*

### **Cancellation (Refund)/Cancellation (Recovery)**

Cancellations are used to void a warrant. Reasons you may need to void the warrant include: a check is returned to the agency uncashed, lost in the mail, or a check is issued in error. Entering a Cancellation voids ALL Payments that are associated with that warrant.

Like a Refund or Recovery, SSIS determines if the record is a Cancellation (Refund) or Cancellation (Recovery) by comparing the Warrant/eff. date on the original Payment to the Warrant/eff. date on the Cancellation.



#### Hints:

- *There is no interface between SSIS and your agency accounting system for modifications. You must manually enter modifications into SSIS and journal entries into your agency accounting system.*
- *Any Correcting Entry Adjustments entered on the original payment are also cancelled.*
- *If entered in error, Cancellations can be deleted by selecting them in the grid on the Transactions tab, accessing the Action menu and selecting Delete for each payment on that warrant.*

### **Adjustment Reversals & Correcting Entry Adjustments**

Adjustment Reversals and Correcting Entry Adjustments are used to correct the data on a Payment. The Payment is reversed (Adjustment Reversal) and one or more Correcting Entry Adjustments are created. The user must make certain the total amount of the Correcting Entry Adjustments equals the amount of the original Payment. Most information on the Correcting Entry Adjustment can be changed, except the vendor who was paid and the date the payment was made. These types of adjustments are used to correct

payment information (e.g., COA, client name and service dates), for tracking, claiming and/or reporting purposes.



*Hints:*

- *To enter the Correcting Entry Adjustment, you must have the Adjustment Reversal selected in the grid on either the Modifications tab or the Transactions tab.*
- *If an Adjustment Reversal and Correcting Entry Adjustment are needed that affect an incorrect Service Arrangement, a new Service Arrangement needs to be created and approved prior to completing the modifications. This ensures that future payments are accurate and will not need modifications.*