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SURVIVE AND THRIVE:

Adapting to Home Health Reimbursement Change

With PDGM and the phase-out of Requests for Anticipated Payment (RAP), the home health industry is undergoing the most prominent reimbursement change in the last two decades.

On January 1, 2020, as part of PDGM, RAP reimbursement percentages were reduced to a fraction of what they were in 2019. Reimbursement cycles were cut in half, resulting in smaller upfront payments but twice as many payment cycles.

Reimbursement for RAPs will be eliminated completely in January 2021, putting strain on some home health providers who still rely on the reduced RAP payment. Speed and efficiency will be crucial for providers looking to get ahead.

RAP phase-out leads to elimination

RAP payments will be completely phased out at the beginning of the year. Some organizations will not be able to adapt to the changes, while other organizations will survive and ultimately thrive under the new structure.

WHAT WILL DETERMINE IF AN ORGANIZATION SURVIVES?

Organizations will survive if their revenue cycle can absorb the impact caused by the elimination of RAP payments. Doing so will require adapting to increase the flow of claims and take advantage of additional reimbursement cycles.

Let's examine the changes to RAPs

In this flipbook, we will investigate:

- Why RAPs will be eliminated
- RAP claims processing in 2021
- How to build revenue cycle efficiency

Why RAPs will be eliminated

One justification for the elimination of RAP reimbursement is the payment cycle has shortened from 60 to 30 days. Officials believe full reimbursement for claims submitted twice as frequently will accelerate cash flow and eliminate the need for pre-payments. The other reason cited for payment elimination is the prevalence of fraudulent requests in the industry.

PAYMENT PARAMETERS FOR 2021[1]

RAP reimbursement will decrease from a 20% split payment to a “no pay” RAP

RAPs are still required. Claims without RAPs will not be paid.

RAPs must be filed within five days of the start date for the patient’s period of care

Claims can be filed for 100% reimbursement after 30 days

Any delays in claims submission will push back the payment cycle

RAP claims processing

RAPs will continue to have a Type of Bill (TOB) 0322 and claims must be submitted with a TOB 0329 after the RAP has been accepted. The claim (TOB 0329) will now be processed for the full payment for the period of care. Adjustments from RAP payments will no longer be applicable.

RAPs will require less information to satisfy submission requirements, which will fall in line closely with the move from RAP to Notice of Admission (NOA) in 2022.

RAPs in 2021 must be submitted and accepted by the MAC within five days of the beginning of the period of care. If they are not accepted within five days, the provider will be penalized every day until accepted by the MAC.

HOW CAN ISSUES CAUSED BY RAP AND PDGM CHANGES BE MINIMIZED?

Electronic RAP/NOA and claim delivery will be more important than ever with the added efficiency of sending claims right from a computer and providing peace of mind with electronic delivery receipts.

Visibility is key. Seeing claims adjudication and payment status helps organizations quickly identify issues in order to take corrective action.

Future revenue success

Organizations that understand and prepare for the payment changes ahead will be in the best position to survive 2021 and beyond. One of the most effective strategies to remain a viable business is to use technology wherever possible to build revenue cycle efficiency. All-payer claims management, trackable ADR responses, automated secondary claims submission, claims analytics and efficient eligibility checks are just some of the applications offered by ABILITY® that can position your organization for revenue success.

READY TO INCREASE YOUR AGENCY'S SPEED AND EFFICIENCY?

CONTACT US TODAY!

[1]"Penalty for Delayed Request for Anticipated Payment (RAP) Submission – Implementation," Centers for Medicare & Medicaid Services, MLN Matters 11855, October 27, 2020, https://www.cms.gov/files/document/MM11855.pdf