



Understanding the Financial Penalties Coming with Late RAP Submission in 2021

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As most home health providers are aware, beginning on 1/1/21 financial penalties will start to incur for any RAP (Request for Anticipated Payment) submission that occurs after 5 days from when a patient is admitted to home health services. Here is a breakdown of what this updated RAP submission will look like and exactly what financial penalties will occur:

- **The requirements to submit a RAP beginning 1/1/21 are:**
 - The appropriate physician's order (written or verbal) that is inclusive of services required for the initial visit. This order must be received and documented per the Home Health Conditions of Participation.
 - The initial visit within the 60-day certification period has to be made and the individual admitted to home health care.
 - This is a significant change from the current requirements. RAP submission will change to an NOA (Notice of Admission) in 2022, but the requirements will remain the same.
- **RAPs have to be submitted for each 30 day payment period.**
- **Any RAP that is not submitted within 5 calendar days of a SOC (Start of Care), there will be a payment reduction based on 1/30 of the payment for each day until the RAP is submitted.**
 - THESE REDUCTIONS START FROM DAY 1 AND NOT DAY 5.
 - Below is an example:
 - Agency has a Late Community payment period valued at \$1,500.
 - Agency establishes the SOC on Fri, 1/1/2021 and submits the RAP a week later on 1/8/2021.
 - The penalty calculation starts on Sat, 1/2/21.

- As the submission is made, the RAP is 6 days into the period using Fri, 1/1/21 as Day 0.
- The penalty will be $\$1,500/30 \times 6$ or \$300.00 for an irreversible reduction of 20% of that anticipated revenue.
- There can also be significant impacts periods that result in a LUPA payment. If an agency fails to submit a timely RAP, no LUPA payment will be made for visits that fall within the period of care prior to the RAP submission.
 - Below is an example:
 - Admission occurs with a LUPA threshold of 5 visits for the payment period.
 - Visits are performed on Day 0 (the SOC visit), Day 3, and Day 5.
 - The agency submits a late RAP on Day 6 – just 1 day past the 5 day requirement.
 - No payment would be made due to the untimely RAP and the fact that all of these visits occurred before the RAP was submitted.
 - These visits are also considered the agency's provider liability and cannot be billed to the patient.

Ensuring that agencies have a solid process in place to submit RAPs timely is going to be imperative so that significant financial penalties are not incurred. With a common RAP submission timeline of 12-14 days currently, agencies will need to have the ability to submit RAPs on a daily basis. There is also additional audit risk if agencies are found to have consistent trends of late RAP submission.

For states who are currently undergoing RCD (Review Choice Demonstration) or if you are in a state where this requirement is coming soon, it's important to know that a timely RAP submission process will align with meeting RCD requirements.

HealthPRO Heritage at Home is here to help. Contact us today if you have questions or need support in ensuring success in 2021 and beyond.

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