2021 Penalty for Delayed Request for Anticipated Payment (RAP) Submission for Home Health Agencies – Frequently Asked Questions (FAQ)

For CY 2021, MLN Matters Number: MM11855 and official instruction Change Request 11855, Penalty for Delayed Request for Anticipated Payment (RAP) Submission, implements changes for RAPs. A summary of the changes are:

- Split-percentage payment would be lowered to zero percent for all Home Health Agencies (HHAs)
- There will be a non-timely submission payment reduction when the HHA does not submit the RAP within 5 calendar days from the start of care date and within 5 calendar days of the "From" date for the second 30-day period of care in the 60-day certification period

This FAQ answers a variety of questions the Home Health Medicare Administrative Contractors (MACs) have received.

	Question	Answer
1.	**The Patient-Driven Groupings Model (PDGM) billing requirements state agencies are to submit a RAP at the beginning of the 30-day period, unless it is a Low Utilization Payment Adjustment (LUPA) claim. In 2021, are RAPs still required for every 30-day billing period of care?**	*Yes. Under PDGM, a RAP is required for each 30-day period claim, unless the claim is a LUPA.*

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2. To be able to submit a RAP, the plan of care has to be created and submitted for the physician to sign. Since our plan of care includes the physician certification statement and also the face-to-face information, it isn't always created and sent to the physician within 5 days of start of care. We are usually waiting for the beneficiary to have their face-to-face encounter. Is there guidance on how to submit a RAP when the face-to-face encounter hasn't been completed?	*Since no payment will be associated with the submission of the RAP in Calendar Year (CY)2021, HHAs are to submit the RAP when:* 1. *The appropriate physician's written or verbal order that sets out the services required for the initial visit has been received and documented as required at 42 Code of Federal Regulations (CFR) Sections 484.60(b) and 409.43(d); and* 2. *The initial visit within the 60-day certification period has been made and the individual is admitted to HH care (84 FR 60548)* *In CY 2021, the below requirements **do not** have to be met to submit the RAP:* • *The OASIS assessment is complete, locked or export ready, or there is an agency-wide internal policy establishing the OASIS data is finalized for transmission to the national assessment system; and* • *A plan of care has been established and sent to the physician*

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3.	**For RAPs with a "From" date on or after January 1, 2021, are Health Insurance Prospective Payment System (HIPPS) codes still required on RAPs? If yes, do the HIPPS need to match on the RAP and final claim?**	*Yes, HIPPS codes are still required on RAPs and an HHA may submit any valid HIPPS code. As stated in the CMS Pub. 100-04, Ch. 10, section 40.1, "For RAPs with "From" dates on or after January 1, 2020, the HHA may submit the HIPPS code they expect will be used for payment if they choose to run grouping software at their site for internal accounting purposes. If not, they may submit any valid HIPPS code in order to meet this requirement."* *For the final claim, the 0023 revenue code line must be reported with the HIPPS code that was reported on the RAP. The first four positions of the code must be identical to the value reported on the RAP. This allows the system to match the claim with the corresponding RAP. As a reminder, the fifth position of the HIPPS serves as a placeholder.* *Reference: CMS Pub. 100-04, Ch. 10, section 40.2 at https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c10.pdf*
4.	**If the HIPPS is required to match on the RAP and final claim, is Medicare going to penalize when a RAP is cancelled to correct the HIPPS code?**	*Do not cancel RAPs only to match the HIPPS codes. RAPs can be submitted with any valid HIPPS code. The claim is then submitted with the HIPPS code that was reported on the RAP. The grouping to determine the HIPPS code used for final payment will occur in the Medicare systems. At that time, the submitted HIPPS code on the claim will be replaced with the system-calculated code.* *Reference: CMS Pub. 100-04, Ch. 10, section 40.2 at https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c10.pdf*

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5.	**For subsequent periods of care RAPs in 2021, does the HIPPS service date on claim line item 0023 line of the RAP need to be the first visit date within that period or the first visit date of that period?**	*A new exception applies when submitting RAPs for all subsequent periods of care in calendar year (CY) 2021. The HHA may submit these RAPs with the first day of the period of care as the service date on the 0023 line. This will allow for the submission of RAPs for two 30-day periods of care immediately after the start of a 60-day certification period. It will also prevent delaying the submission of the RAP for subsequent periods when the first visit in that period would be beyond the 5-day timeframe for a timely-filed RAP.*
6.	**What date should HHAs use on the 0023 line item of the corresponding claim when the RAP was submitted using the exception with the first day of the period of care for line item 0023? Should it match the date on the RAP or should be first visit provided during the period?**	*When HHAs use the new exception and submit RAPs with the first day of the period of care as the service date on the 0023 line for subsequent periods in CY 2021, the corresponding claim must be submitted with the same 0023 line date. The service dates on 0023 of the RAP and claim must match.*
7.	**Do all diagnoses have to be reported on the RAP and the period of care claim?**	*The principal (primary) diagnosis code must be submitted on the RAP. Other diagnosis codes are optional for RAPs with "From" dates on or after January 1, 2021. It is important to report the principal and other diagnosis ICD codes on the claim since they are used for payment grouping rather than the OASIS item. The claim and OASIS diagnosis codes will no longer be expected to match in all cases.*

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8.	**Can the principal diagnosis code on the RAP be different from the one submitted on the corresponding claim?**	*Yes, the principal (primary) diagnosis code submitted on the RAP may be different than what is submitted on the final claim. There is no editing in the system that requires diagnosis codes need to match. In addition, the claim and OASIS diagnosis codes will no longer be expected to match in all cases.*
9.	**HHAs are allowed to submit RAPs for both the first 30-day period and the second 30-day period at the beginning of the episode. How will this affect our payment if we have a change in the diagnoses during the episodes of care? Will that only be considered with the final claims and not the RAPs?**	*Any change in diagnoses during a period of care will be reflected on the diagnoses reported on the claim. It is important to report the principal and other diagnosis ICD codes on the claim since they are used for payment grouping, not the RAP.*
10.	**How does no pay RAPs affect agency reimbursement? Does Medicare reimburse on the final claim or compare the final claim to the Outcome and Assessment Information Set (OASIS)?**	*Upon receipt of the corresponding claim, grouping to determine the HIPPS code used for final payment of the period of care will occur in Medicare systems. At that time, the submitted HIPPS code on the claim will be replaced with the system-calculated code.* *Reference: CMS Pub. 100-04, Ch. 10, section 40.2 at https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c10.pdf*

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11.	**Is there a penalty for late RAPs in CY 2021?**	*There is non-timely submission payment reduction when the HHA does not submit the RAP within 5 calendar days from the start of care date ("admission date" and "From" date on the claim will match the start of care date) for the first 30-day period of care in a 60-day certification period and within 5 calendar days of the "From" date for the second 30-day period of care in the 60-day certification period. The "From" date is day zero. Count five calendar days starting the day after the "From" date to determine timely RAP submission.*
12.	**How is the penalty applied?**	*This reduction in payment will be equal to a 1/30th reduction to the wage and case-mix adjusted 30-day period payment amount for each day from the HH start of care date/admission date, or "From" date for subsequent 30-day periods, until the date the HHA submits the RAP. The 1/30th reduction would be to the 30-day period payment amount, including any outlier payment, that the HHA otherwise would have received absent any reduction.*
13.	**Does the submission within 5 days of the "From" date include weekends and holidays?**	*Yes, there will be a non-timely submission payment reduction when the RAP is not submitted within 5 calendar days of the "From" date of the RAP. The "From" date is day zero. Count five calendar days starting the day after the "From" date to determine timely RAP submission.*

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14.	**Does the RAP only need to be submitted within 5 calendar days of the "From date" to meet the requirement?**	*No, a timely-filed RAP is submitted to the A/B MAC (HHH) and accepted by the A/B MAC (HHH) within 5 calendar days after the "From date" of a HH period of care.* *"Accepted" is defined as processing and approving after a RAP is received. The date a RAP completes processing and approves is not used in calculating the RAP's timeliness, only the date the RAP was received by the MAC.* ***Note:** If the RAP is Returned to Provider (RTP) for correction, it will be given a new received date when it is returned for processing after correction.*

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	15. Can an HHA appeal a late RAP penalty?	*Appeals are only requested on denied claims; however, an HHA may request an exception on the final claim that corresponds with the late RAP. MACs will accept the KX modifier when reported with the HIPPS code on the revenue code 0023 line of Type of Bill (TOB) 032x (other than 0322 and 0320) as an indicator that an HHA requests an exception to the late RAP penalty. The HHA should provide sufficient information in the Remarks section of its claim to allow the MAC to research the exception request.* *The four circumstances that may qualify the HHA for an exception to the consequences of filing the RAP more than 5 calendar days after the HH period of care "From" date are as follows:* 1. *Fires, floods, earthquakes, or other unusual events that inflict extensive damage to the HHA's ability to operate* 2. *An event that produces a data filing problem due to a CMS or MAC systems issue that is beyond the control of the HHA* 3. *A newly Medicare-certified HHA that is notified of that certification after the Medicare certification date, or which is awaiting its user ID from its MAC* 4. *Other circumstances determined by the MAC or CMS to be beyond the control of the HHA.* ***Note:*** *Do not request an exception on a RAP. This will cause the RAP to return and likely cause additional late penalty days to accumulate.*

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16.	**If an HHA submits a RAP timely, but needs to cancel it for an error, can we file an exception on the corresponding claims?**	*Yes. If the RAP that corresponds to a claim was originally received timely, but the RAP was canceled and resubmitted to correct an error, enter remarks to indicate this condition, (for example, "Timely RAP, cancel and rebill"). Append modifier KX to the HIPPS code reported on the revenue code 0023 line. HHAs should resubmit corrected RAPs promptly (generally within 2 business days of canceling the original RAP).* *Examples of errors that would require the RAP to be canceled and resubmitted:* • *Incorrect period "From" date reported* • *Incorrect initial physician or allowed practitioner reported* *Examples of errors that would **not** require the RAP to be canceled and resubmitted:* • *Change of diagnosis* • *Anytime there is a change in HIPPS* • *Change of physician or allowed practitioner during the period of care*
17.	**What happens if there is an issue with the OASIS submission and the claim is sent before it gets fixed? Will the claim be rejected and cause a financial penalty?**	*The penalty applies only to RAPs, not the final claims. Only the claim will edit for a matching OASIS submission, not the RAP.*
18.	**Will no payment for RAPs only affect a new start of care (SOC) in 01/01/2021 or will also apply to recertifications in 2021?**	*For all RAPS submitted with "From" dates on or after January 1, 2021, RAP payment is lowered to zero percent, regardless whether the RAP is for a new SOC or a recertification.*

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19.	**Will RAPs still auto cancel in 2021?**	*RAPs with a "From" date on or after January 1, 2021, will not auto-cancel.*
20.	**If an agency submits RAPs for two 30-day periods of care immediately after the start of a 60-day certification period, but the beneficiary discharges prior to the second billing period, will the agency have to cancel the RAP for the second 30-day billing period?**	*The RAP for the 2nd 30-day billing period would not need to be cancelled because the RAP-only record remaining on Common Working File (CWF) will not trigger consolidated billing edits.* *However, cancelling an unused RAP will help maintain a more accurate beneficiary home health eligibility record. Maintaining an accurate eligibility record may reduce situations where other HHAs or providers of services included in home health consolidated billing with verifying the validity of the unused posted period and/or cancelling the RAP at a later date, if necessary.*
21.	**HHAs understand that when claims are submitted after hours (i.e. after 5 p.m. ET), the 277CA report is not returned until the next day. Will this same process continue? HHAs are concerned about non-timely submission payment reduction when they need to correct a RAP that has RTP.**	*There are no changes with how the system processes RAPs; therefore, the 277CA process will continue. Providers should consider this when calculating timely submissions of the RAP. The Medicare system assigns a receipt date (REC DT) to the RAP. If the RAP is RTP, it will receive a new receipt date when it is corrected and returned to the MAC. HHAs need to ensure RAPs are submitted correctly to avoid an RTP.* *An HHA does not have wait until a RAP is completely retuned for to correct an error. Once a RAP begins to return, by going into "T" status, an agency may immediately submit a new RAP to avoid additional delays. Since the original RAP is returning, the new RAP will not edit as a duplicate against it.*

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22.	**Will the MACs accept RAPs submitted on weekends and return the 277CA report on weekend days if a RAP is submitted on a weekend day?**	*Your MAC considers electronic claims received on a weekend or holiday before 5 p.m. ET, as received on the actual calendar date of receipt.*
23.	**How will Medicare Secondary Payer (MSP) affect timely submission of RAPs?**	*MSP billing is not required on RAPs. The HHA may submit the RAP as Medicare primary and it will process without MSP editing. The claim must be billed as MSP.*
24.	**Once the RAP has been submitted, how long do we have to submit the final?**	*The final claim may be submitted after the RAP has approved and is in a status/location of P B9996 or P B9997, and all other requirements to submit the claim for the period of care are met (all services provided, POC signatures, etc.).*
25.	**If LUPAs do not require a RAP in 2021, why would a penalty be applied on a LUPA with a late RAP?**	*LUPAs do not require RAPs in 2021. However, if a RAP is filed for a LUPA, the RAP must be filed timely. No LUPA per-visit payments would be made for visits that occurred on days that fall within the period of care prior to the submission of the RAP. The payment reduction cannot exceed the total payment of the claim.*