



Following the recent NAHC Financial Management Conference in Chicago, HealthPRO® Heritage representatives in attendance outlined principal key concerns affecting home health agencies going forward into PDGM implementation.

Upcoming RAP Reduction or Elimination – Significant Cash Flow Impact

Currently under PPS, agencies bill at day 7 and receive a RAP payment for 60% of the claim on day 14. Under the CY2020 proposed rule, RAP payments could be significantly reduced to 20% for 2020:

PPS Episode: \$3,300.00 (60 day claim) = (\$1,980.00 RAP/ \$1,320.00 Final Claim)

PDGM Episode: \$1,900.00 (30 day claim) = (\$380.00 RAP/ \$1,520.00 Final Claim)
 \$1,400.00 (2nd 30 day claim) = (\$280.00 RAP/\$1,120.00 Final Claim)

Clearly, the impact to cash flow will be drastic if the proposed rule is implemented. One of the primary factors for successful RAP and Final Claims submissions will be physician order management. Agencies must have all of orders signed before a claim can be filed. Fulfilling claim requirements alone will require an agency's full dedication, time, and energy. Optimizing this process immediately is imperative to avoid financial disarray or even agency closure.

Additionally, CMS experts forecasted that payment outcomes for claims would result in...

- 12-15% of claims will get no reimbursement due to Questionable Encounters or no supportive data.
- 25% of claims will only receive payment in the first 30-day period due to a timely discharge within the first 30 days.
- 10-16% of claims will result in a LUPA payment with the change to new PDGM LUPA thresholds.
- 45-55% of claims will receive full payment for both 30-day periods

Question Worth Asking

- What education can we provide to our referrals sources about PDGM changes and the need for appropriate clinical information as part of the intake process?
- Has an assessment been performed of current billing processes and procedures? Does the current billing team have the ability to increase volume of claims being processed with the move to 30-day payment-periods? Do additional resources need to be added to the billing functions?
- How much time is it currently taking to drop RAPs and release final claims? Do we have an opportunity to decrease the amount of time for both in order to improve cash flow?
- Where do bottlenecks occur currently within the billing process? How can we eliminate these bottlenecks?
- Are any billing processes delayed due to timely physician signatures on orders? How can we optimize our orders management process?
- How is your EMR updating current functionality to support timely billing of claims?
- How much cash should we have reserved until cash flow normalizes?
- Do current coding processes support success into clinical groupings under PDGM? If not, should we consider outsourcing coding or moving our coding functions in house?
- What is the current timeline for completion of all clinical documentation? How can we ensure that all clinical documentation is completed within 24 hours of visiting occurring?

HealthPRO® Heritage at Home is **prepared** to help you **execute** and **succeed** in this transition! As a trusted therapy partner, we want to be involved in developing processes that will appropriately assess care needs and assure timely documentation in support of revenue cycle objectives.