

HHC Support Note: Revenue Accrual and No-Pay RAPs

Issue

As you close your month-end, you may see that revenue looks understated. Currently, Medicare revenue is only added to the Episodic Revenue and AR Detail report for a RAP once the OASIS for that billing period is reviewed. The revenue reports should show the value at a sum of 1/30th entries through the period the report is run.

Tip: You may have RAPS reporting \$0.00, this is due to having an OASIS in an unreviewed status. Use the **PDGM Accrual for Month End Close report** procedure below to capture the revenue.

- When No Pay RAP 1 & 2 are submitted, they will change to a Paid status with a \$0 reimbursement.
- When the OASIS is reviewed, those RAPs will change status from Paid to Outstanding automatically and the full reimbursement amount will show on the No Pay RAP 1 and 2. If the RAP is still in the New status at the time the OASIS is reviewed, the full reimbursement will show in the billing queue.
- If the RAP has a reimbursement on it, and the Final claim has not been submitted, the revenue will only show on the RAP and not on the Final claim. Once the Final claim has been submitted, the revenue on the RAP will be reversed and booked to the Final claim. The RAP will then change to a Paid status with a \$0 balance.

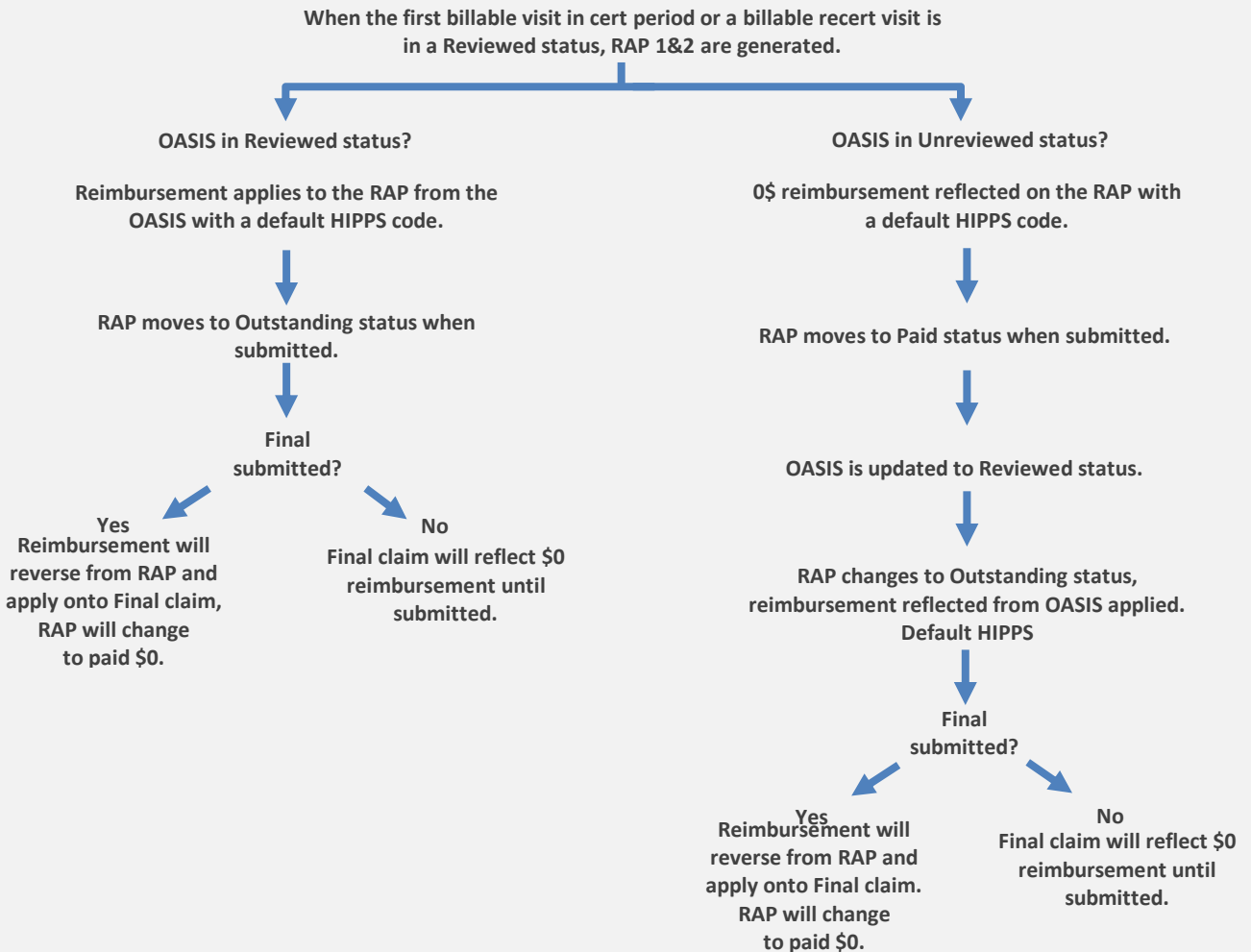
Tip: There must be a visit scheduled within the 30-day billing period for the reimbursement to apply on the RAP.

Other RAP Scenarios

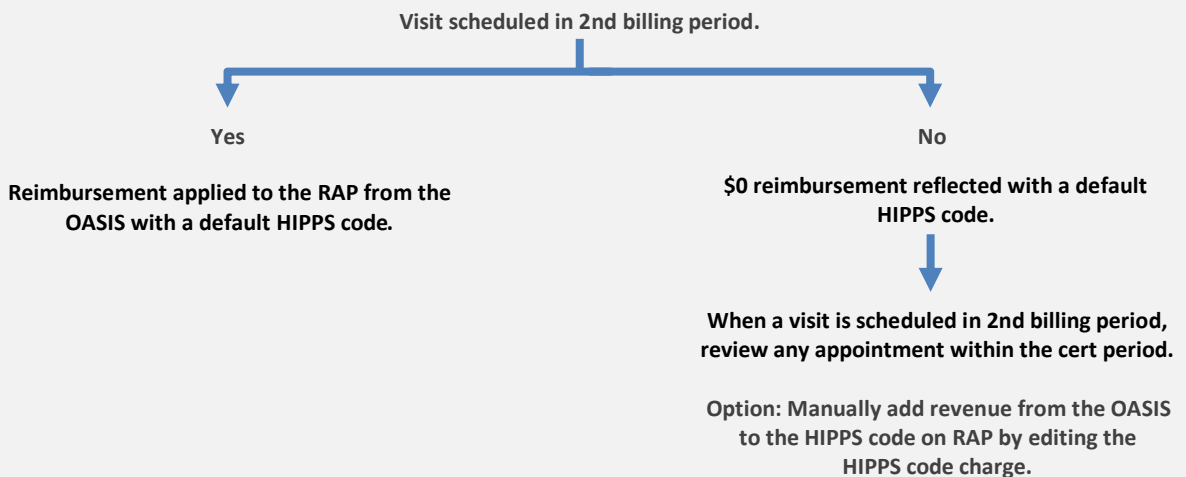
- Managed Care PDGM No Pay RAPs- the same revenue logic will apply as traditional No Pay RAPs; however, a default HIPPS code will get applied to the RAP and the true HIPPS code will get applied to the Final claim.
- PDGM Payers without No Pay RAPs- the RAP and Final claim will reflect the true HIPPS code and full reimbursement from the OASIS in the billing queue. The RAP will change to outstanding status upon submission. When the Final claim is submitted the RAP reimbursement will be reversed and zeroed out and the RAP will change to paid status. The reimbursement for the billing period will remain only on the Final claim.

Tip: The revenue reports will not reflect duplicate revenue for the billing period.

No-Pay RAP Revenue Recognition



Notes on 2nd Billing Period



No-Pay RAP recognition for episodes before 2021.5 release

For episodes that began before Home Health Care 2021.5, Medicare revenue is only added to the Episodic Revenue and AR Detail report once a Final claim has been submitted. To identify the accrued revenue correctly, we recommend use of the **PDGM Accrual for Month End Close** report.

Procedure:

1. Proceed with reconciling your reports as usual with the AR Reconciliation Report and close your month. Note that revenue looks understated.
2. After your month end is closed, go to **Reports** and select the **PDGM Accrual for Month End Close** report. Select your Branch, Business Line, and Posted Date and click **Run** to generate the report.

SOC Date	Discharge Dt	Episode Start	Episode End	Claim Types	Episode Visit Count	PDGM1 Visit Col	PDGM2 Visit Col	PPS Est. Revenue	PDGM1 Est Revenue	PDGM2 Est Revenue	Posted Reven	Unposted Revenue	PDGM1 Accrual	PDGM1 Deferral	PDGM2 Accrual	PDGM2 Deferral	All Accrual	All Deferral
01/08/2021		01/08/2021	03/08/2021	PDGM1 RAP: Paid	18	18	0	\$0.00	\$2,453.95	\$1,735.67	\$0.00	\$0.00	\$1,881.36	\$572.59	\$0.00	\$0.00	\$1,881.36	\$572.59
01/16/2021		01/16/2021	03/16/2021	PDGM1 RAP: Paid	11	11	0	\$0.00	\$2,540.84	\$1,093.81	\$0.00	\$0.00	\$1,270.42	\$1,270.42	\$0.00	\$0.00	\$1,270.42	\$1,270.42
12/10/2020		12/10/2020	02/07/2021	PDGM1 RAP: Outstanding	13	10	3	\$0.00	\$1,758.74	\$1,053.27	\$2,530.94	\$281.07	\$0.00	\$0.00	\$0.00	\$281.07	\$0.00	\$281.07
01/13/2021		01/13/2021	03/13/2021	PDGM1 RAP: Paid	15	15	0	\$0.00	\$2,227.91	\$1,509.80	\$0.00	\$0.00	\$1,336.75	\$891.16	\$0.00	\$0.00	\$1,336.75	\$891.16
01/26/2021		01/26/2021	03/26/2021	PDGM1 RAP: New Claim	2	2	0	\$0.00	\$1,647.28	\$1,287.00	\$0.00	\$0.00	\$274.55	\$1,372.73	\$0.00	\$0.00	\$274.55	\$1,372.73
12/22/2020	01/26/2021	12/22/2020	01/26/2021	PDGM1 RAP: Outstanding	7	5	2	\$0.00	\$2,157.95	\$1,452.65	\$2,642.15	\$968.45	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$968.45
01/08/2021		01/08/2021	03/08/2021	PDGM1 RAP: Outstanding	7	7	0	\$0.00	\$1,947.56	\$1,229.28	\$1,492.93	\$454.63	\$0.00	\$454.63	\$0.00	\$0.00	\$0.00	\$454.63
													\$4,763.07	\$4,561.53	\$0.00	\$281.07	\$4,763.07	\$4,842.60

3. Manually add the total accrual from the **PDGM Accrual for Month End Close** report into the **Journal Entry** report used to upload into your GL system.
4. **IMPORTANT:** At the end of the next period, you should **REVERSE THIS JOURNAL ENTRY**, as the final amount will get picked up in the next Episodic Revenue and AR Detail report.

TIP: The **PDGM Accrual for Month End Close** report is also available on the **Month End Close Reports** tab.

PDGM Accrual for Month End Close report logic.

- This report looks for any episode in the MEC period that did not book any revenue on the Episodic Revenue and AR Detail Report. This can happen for the following reasons:
 - The OASIS did not have a HIPPS value when the RAP was submitted.
 - There has been no visit verified to generate the revenue.
- The report looks for a current OASIS value – even if it is not exported - and uses that if it is present.
- If an OASIS value is not present, the report uses logic to look at historical episode amounts going back 180 days to come up with an average episode amount per branch/business line. (It separates out PDGM1 and PDGM2 averages.) The report then divides the episode amount by 30.

- The report looks at the posted date and the episode start date and determines the number of days that the episode was in the MEC close period. The same logic is used that is contained within the Episodic report, and the daily rate is multiplied by the number of days in the period.
- This report runs all episodes in the MEC period, but if it finds that there is revenue that has been booked, it ignores those in the calculation and reports zero, as it is only looking for ones that are missing.

If you have questions or want to discuss the logic around revenue accrual further, please contact homehealthsupport@pointclickcare.com.

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