



# *Q4CY21 Home Health Agency PEPPER Review*

Annie Barnaby

July 2022



# About Today's Presentation



Phone lines will be muted the entire duration of the training.



Submit questions pertinent to the webinar using the Q&A panel.



Questions will be answered verbally, as time allows, at the end of the session.

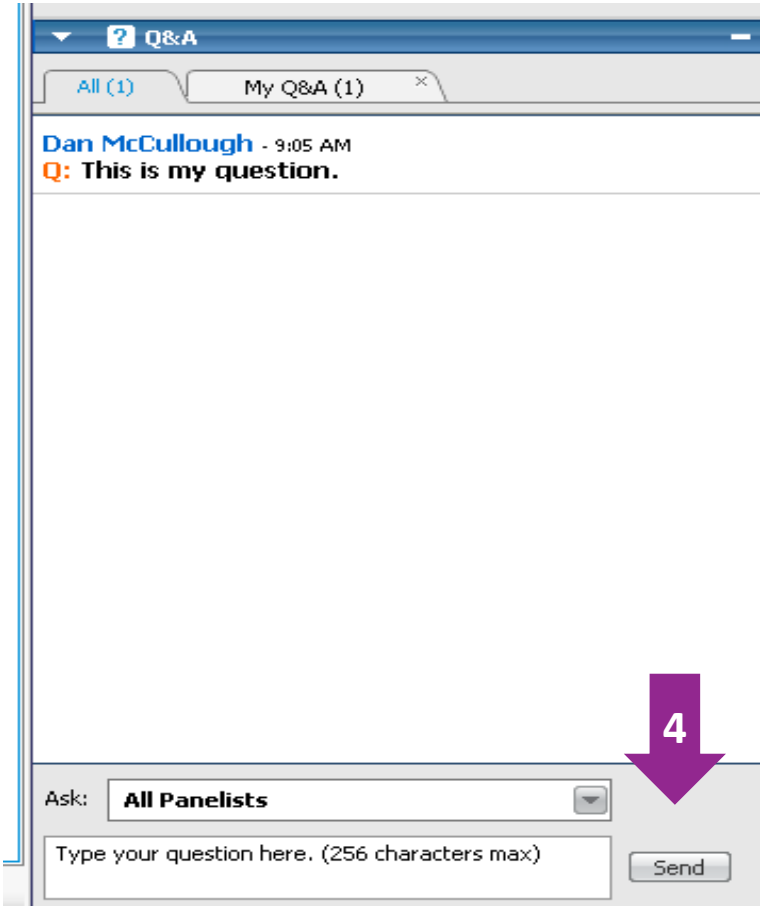


A “Q&A” document will be developed and posted at [PEPPER.CBRPEPPER.org](http://PEPPER.CBRPEPPER.org).

# To Ask a Question in Split Screen

*Ask your question in Q&A as soon as you think of it.*

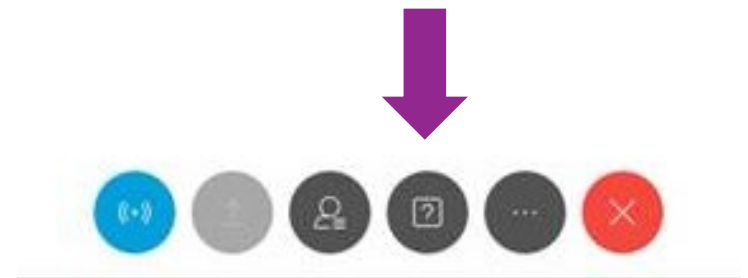
1. Go to the **“Q&A”** window located on the right side.
2. In the **“Ask”** box, select **“All Panelists.”**
3. Type in your question.
4. Click the **“Send”** button.



The screenshot shows a Q&A window with a title bar that says "Q&A". Below the title bar, there are two tabs: "All (1)" and "My Q&A (1)". The main content area shows a question from "Dan McCullough" at "9:05 AM" with the text "Q: This is my question." Below the question, there is an "Ask:" dropdown menu set to "All Panelists", a text input field with the placeholder "Type your question here. (256 characters max)", and a "Send" button. Four purple arrows with numbers 1, 2, 3, and 4 point to the Q&A window, the "All Panelists" dropdown, the text input field, and the "Send" button, respectively.

## To Ask a Question in Full Screen

1. Click on the “Q&A” button to bring up the Q&A window.
2. Type in your question (as in the previous slide).
3. Click the “**Send**” button.
4. Click “-” to close window to see full screen again.



# Agenda

- Review the Q4CY21 *Home Health Agency (HHA) Program for Evaluating Payment Patterns Electronic Report (PEPPER)*.
  - Discuss the changes to the target areas.
- Review other resources:
  - National- and state-level data
  - Peer group bar charts

# PEPPER Details

*To learn more about PEPPER:*

Review percents and percentiles.

Review a demonstration PEPPER.

Access the training resources available in the HHA “Training and Resources” section of the PEPPER website at [PEPPER.CBRPEPPER.org](http://PEPPER.CBRPEPPER.org).

## What is PEPPER?



PEPPER summarizes Medicare claims data statistics for one provider in “target areas” that may be at risk for improper Medicare payments.



PEPPER compares the provider’s Medicare claims data statistics with aggregate Medicare data for the nation, jurisdiction, and the state.



PEPPER cannot identify improper Medicare payments!

# History of PEPPER

2003

TMF Health Quality Institute developed PEPPERS for short-term acute care hospitals and, later, long-term acute care hospitals; they were provided by Quality Improvement Organizations (QIOs) through 2008.

2010

TMF began distributing PEPPERS to all providers in the nation, and TMF developed PEPPERS for other provider types: critical access hospitals, inpatient psychiatric facilities, and inpatient rehabilitation facilities (2011); hospices and partial hospitalization programs (2012); skilled nursing facilities (2013); and HHAs (2015).

2018

The Centers for Medicare & Medicaid Services (CMS) combined the Comparative Billing Report (CBR) and the PEPPER programs into one contract; RELI Group and its partners, TMF and CGS, began producing CBRs and PEPPERS.



# Why are providers receiving a PEPPER?

CMS is tasked with protecting the Medicare Trust Fund from fraud, waste, and abuse.

The provision of PEPPER supports CMS' program integrity activities.

PEPPER is an educational tool that is intended to help providers assess their risk for improper Medicare payments.

# Q4CY21 HHA PEPPER Release

*Available on July 11, 2022*

Summarizes statistics for three calendar years:

- 2019
- 2020
- 2021

Statistics for all time periods are refreshed with each release.

The oldest calendar year rolls off as the new one is added.

# HHA Improper Payment Risks

HHAs are reimbursed through the HHA prospective payment system (PPS), which underwent revision in 2020.

HHAs can be at risk for improper payments.

Target areas were identified based on a review of the HHA PPS, a review of studies related to improper payments, analysis of claims data, and coordination with CMS subject matter experts.

## Patient-Driven Grouping Model

- The Patient-Driven Grouping Model (PDGM) went into effect on Jan. 1, 2020, replacing the Home Health Resource Groups (HHRG) system.
- The Q4CY21 PEPPER reflects PDGM statistics.
- To learn more, read an [overview of the PDGM](#) on CMS' website.

## PEPPER Target Areas

- Areas identified as potentially at risk for improper Medicare payments (e.g., coding or billing errors, unnecessary services)
- A target area is constructed as a ratio:
  - Numerator = episodes/payments/etc. identified as potentially problematic
  - Denominator = larger reference group
- Reported as either a:
  - Rate (numerator/denominator different units) or
  - Percent (numerator/denominator same units).

# HHA PEPPER Target Areas

Target Area	Target Area Definition
<p><b>Low Comorbidity</b> (New as of Q4CY20 release)</p>	<p><i>Numerator (N)</i>: count of periods with a secondary diagnosis that qualifies as a low comorbidity adjustment (fourth position of Health Insurance Prospective Payment System [HIPPS] code equal to '2') paid to the HHA during the time frame</p> <p><i>Denominator (D)</i>: count of periods paid to the HHA during the time frame</p>
<p><b>High Comorbidity</b> (New as of Q4CY20 release)</p>	<p><i>N</i>: count of periods with two secondary diagnoses that qualify as a high comorbidity adjustment (fourth position of HIPPS code equal to '3')</p> <p><i>D</i>: count of periods paid to the HHA during the time frame</p>
<p><b>Functional Impairment — Medium</b> (New as of Q4CY1 release)</p>	<p><i>N</i>: count of periods with a functional impairment level of medium (third position of HIPPS code equal to 'B') paid to the HHA during the time frame</p> <p><i>D</i>: count of periods paid to the HHA during the time frame</p>

# HHA PEPPER Target Areas

Target Area	Target Area Definition
<p><b>Functional Impairment — High</b> (New as of Q4CY21 release)</p>	<p><i>N</i>: count of periods with a functional impairment level of high (third position of HIPPS code equal to ‘C’) paid to the HHA during the time frame</p> <p><i>D</i>: count of periods paid to the HHA during the time frame</p>
<p><b>Average Case Mix</b></p>	<p><i>N</i>: sum of case mix weight for all periods paid to the HHA during the time frame, excluding LUPAs (identified by Part A National Claims History [NCH] HHA LUPA code) and PEPs (identified as patient discharge status code equal to ‘06’)</p> <p><i>D</i>: count of periods paid to the HHA during the time frame, excluding LUPAs and PEPs</p> <p>Note: reported as a rate, not a percent</p>

# HHA PEPPER Target Areas

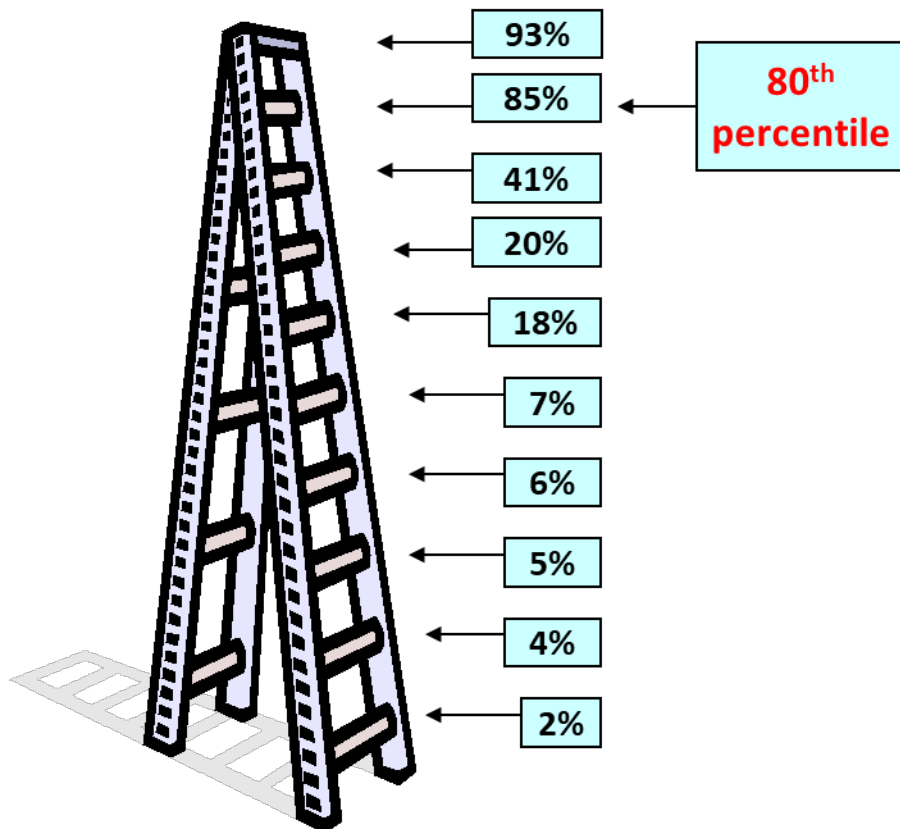
Target Area	Target Area Definition
<p><b>Average Number of Periods</b></p>	<p><i>N</i>: count of periods paid to the HHA during the time frame</p> <p><i>D</i>: count of unique beneficiaries served by the HHA during the time frame</p> <p>Note: reported as a rate, not a percent</p>
<p><b>Periods with Low Visits</b> (Revised as of Q4CY20 release)</p>	<p><i>N</i>: count of periods with the number of visits equal to the LUPA threshold or one visit more than the LUPA threshold, paid to the HHA during the time frame</p> <p><i>D</i>: count of periods paid to the HHA during the time frame</p>



# HHA PEPPER Target Areas

Target Area	Target Area Definition
<b>Non-LUPA Payments</b>	<p><i>N</i>: count of periods paid to the HHA that did not have a LUPA payment during the time frame</p> <p><i>D</i>: count of periods paid to the HHA during the time frame</p>
<b>Outlier Payment</b>	<p><i>N</i>: sum of dollar amount of outlier payments (identified by the amount where Value Code equal to '17') for periods paid to the HHA during the time frame</p> <p><i>D</i>: sum of dollar amount of total payments for periods paid to the HHA during the time frame</p>
<b>Admission Source</b> (New as of Q4CY20 release)	<p><i>N</i>: count of periods where admission source is institutional (first position of HIPPS code equal to '2' or '4')</p> <p><i>D</i>: count of periods paid to the HHA during the time frame</p>

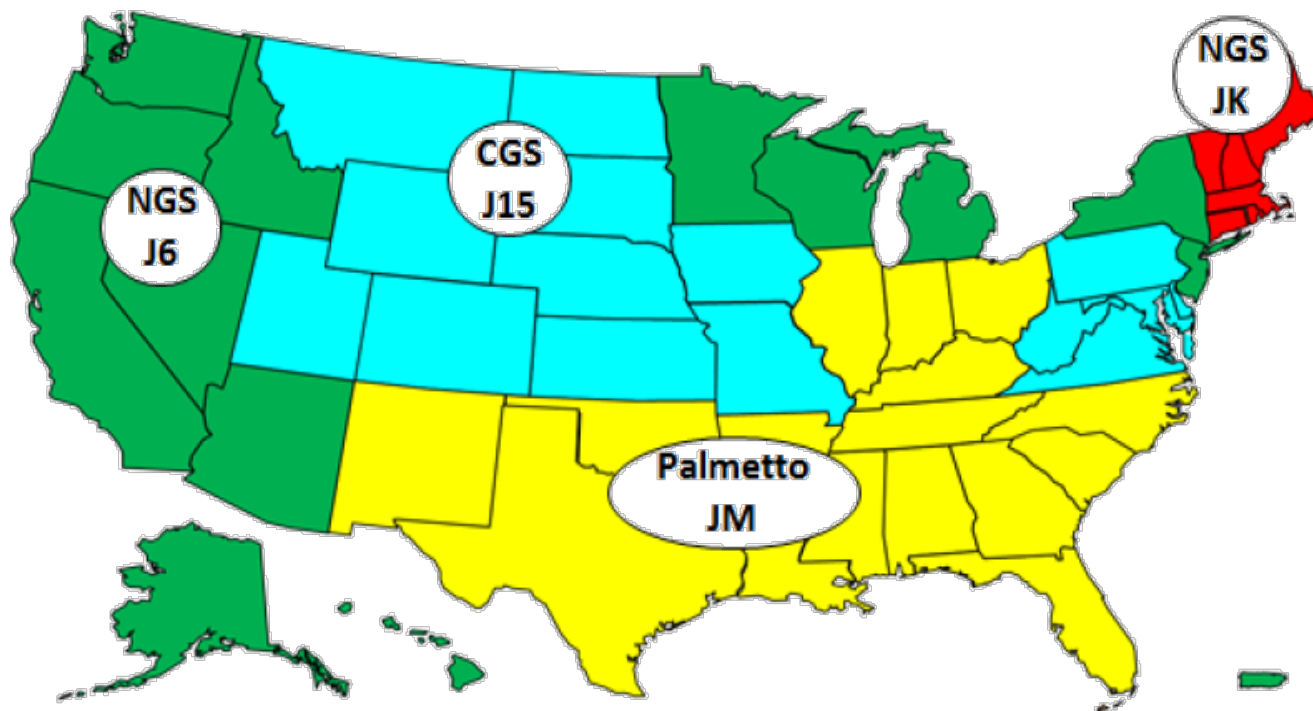
# Percentiles in PEPPER



- The percentile tells us the percentage of HHAs that have a lower target area percent.
- Target area percents at/above national 80th percentile are identified as “outliers” in PEPPER.

# Comparison Groups

- Nation
- Medicare Administrative Contractor (MAC) jurisdiction
- State



# How does PEPPER apply to providers?



PEPPER is a roadmap to help providers identify potentially vulnerable or improper payments.



Providers are not required to use PEPPER or to take any action in response to their PEPPER statistics.



Why not take advantage of this free comparative report provided by CMS?

## PEPPER Distribution

- PEPPER is distributed in an electronic format.
- Each release of PEPPER will be available for approximately two years from its original date of release.
- PEPPER cannot be sent via email.
- It is available via the PEPPER Portal:
  - Visit [PEPPERFILE.CBRPEPPER.org](https://PEPPERFILE.CBRPEPPER.org).
  - Links to the portal can be found on the PEPPER homepage: [PEPPER.CBRPEPPER.org](https://PEPPER.CBRPEPPER.org).

## Who has access to PEPPER?

- PEPPER is only available to the individual provider.
- PEPPER is not publicly available; it cannot be released to consultants or any unauthorized recipients.
- PEPPERs are not sent to recovery auditors (RAs) or MACs.
- An access database that contains the PEPPER statistics for providers in their respective jurisdiction/region is shared with MACs and RAs.

## Access PEPPER via the PEPPER Portal

- Refer to the “Portal Access Instructions” link at <https://pepper.cbrpepper.org/About-PEPPER/Distribution-Schedule-Get-Your-PEPPER>.
- The validation codes are emailed to the contact listed for each facility in the Provider Enrollment, Chain, and Ownership System (PECOS).

# Strategies to Consider

- Do not panic!
  - Outlier status does not necessarily mean that compliance issues exist.
- If you are an “outlier,” determine why that may be.
  - Do the statistics reflect your operation, patient population, referral sources, or health care environment? Verify by:
    - Sampling claims or reviewing documentation in the medical record.
    - Reviewing a claim; was it coded and billed appropriately based upon documentation in the medical record?
- Ensure you are following best practices, even if you are not an outlier.



## Aggregate Target Area Data

- National-level and state-level data is available at [PEPPER.CBRPEPPER.org](http://PEPPER.CBRPEPPER.org) on the “Data” page.
  - Target areas
- The data is updated annually following each report release.

## Peer Groups

- Allows comparison of PEPPER statistics to providers' peers.
- For each of the target areas, the peer group bar charts identify the 20th, 50th, and 80th national percentile for HHAs in three categories:
  - Size (i.e., number of episodes)
  - Location (i.e., urban or rural)
  - Ownership type (i.e., profit/physician-owned, nonprofit/church, or government)

## Peer Group Bar Charts

- Will be updated annually
- Refer to “Methodology” and “HHAs by Peer Group” files for additional details
- Disagree with your ownership type or location?
  - Contact your CMS Regional Office Coordinator with any updates/corrections

# PEPPER.CBRPEPPER.org

## “Training and Resources” Page

- HHA PEPPER User’s Guide*
- Jurisdictions spreadsheet
- Recorded PEPPER training sessions
- Sample *HHA PEPPER*
- Success stories

## For Assistance with PEPPER



If you have questions or need individual assistance, click on “Help/Contact Us,” and submit your request through the Help Desk.



Complete the form, and a member of the PEPPER Team will respond promptly to assist you.



Please do **not** contact any other organization for assistance with PEPPER.

# Welcome to PEPPER Resources

PEPPERresources.org is the official site for information, training and support related to the Program for Evaluating Payment Patterns Electronic Report (PEPPER).



Show your support.

PEPPER provides provider-specific Medicare data statistics for discharges/services vulnerable to improper payments. PEPPER can support a hospital or facility's compliance efforts by identifying where it is an outlier for these risk areas. This data can help identify both potential overpayments as well as potential underpayments.

Success stories: How your peers have used their PEPPER

[Go to Success Stories](#)

## SHORT-TERM ACUTE CARE HOSPITALS

- User's Guide (PDF, 27th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER

## CRITICAL ACCESS HOSPITALS

- User's Guide (PDF, 8th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER
- Map of HHA PEPPER Retrievals by State

## HOME HEALTH AGENCIES

- User's Guide (PDF, 4th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER
- Map of HHA PEPPER Retrievals by State

## HOSPICES

- User's Guide (PDF, 8th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER
- Map of Hospice PEPPER Retrievals by State

## INPATIENT PSYCHIATRIC FACILITIES

- User's Guide (PDF, 9th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER

## INPATIENT REHABILITATION FACILITIES

- User's Guide (PDF, 9th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER

## LONG-TERM ACUTE CARE HOSPITALS

- User's Guide (PDF, 13th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER
- Map of LT PEPPER Retrievals by State

## PARTIAL HOSPITALIZATION PROGRAMS

- User's Guide (PDF, 7th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER

## SKILLED NURSING FACILITIES

- User's Guide (PDF, 7th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER
- Map of SNF PEPPER Retrievals by State



## Questions?

- Visit the Help Desk at [PEPPER.CBRPEPPER.org](https://PEPPER.CBRPEPPER.org).