Have you accessed your 2015 hospice PEPPER?

This year’s report for the setting is bigger than ever

Editor's note: To learn about the first edition of the home health PEPPER—due out in July—see last month's issue of Homecare DIRECTION.

The 2015 edition of the Program for Evaluating Payment Patterns Electronic Report (PEPPER)—a free, comparative billing tool adapted for a growing number of healthcare settings—was released to hospice providers last month. PEPPER has been distributed to hospices since 2012, but for the first time since the report’s induction in the setting, it boasts new target areas. Alongside the two long-standing domains, this year’s four new focuses will effectively triple the scope of the report.

“We’ve been working to add new target areas to the hospice PEPPER since we started providing the PEPPERs,” says Kimberly Hrehor, MHA, RHIA, CHC, project director at TMF Health Quality Institute, the CMS contractor that has developed and distributed the report since 2009.

Gathering evidence

With only two target areas in previous iterations of the hospice PEPPER, Hrehor says the setting’s report covered much less ground than other versions, a disparity perpetuated by TMF’s historic difficulty in identifying new target areas for the sector.

This struggle ended in January when the Office of Inspector General (OIG) released a report, entitled Medicare Hospices Have Financial Incentive to Provide Care in Assisted Living Facilities, which found that Medicare payments for hospice care in assisted living facilities (ALF) more than doubled over the course of five years, totaling $2.1 billion in 2012. The report concluded that hospices provided much longer care for ALF beneficiaries, whose diagnoses usually required less complex services but resulted in much higher Medicare reimbursement than for services delivered to counterparts elsewhere.

“Together, the findings in this and previous OIG reports show that payment reform and more accountability are needed to reduce incentives for hospices to focus solely on certain types of diagnoses or settings,” the report stated.

In addition to conveying these startling findings, the report made unprecedented moves in validating PEPPER’s utility; for the first time, the OIG directly referenced the report and called for its collection of focuses to be expanded.

Broadening horizons

Based on the OIG’s recommendation, as well as requests from CMS to explore the intersection of hospice care and nursing homes, TMF was able to define and develop four new target areas for the setting’s report.

This year, in addition to the existing target areas of live discharges and long lengths of stay, the hospice PEPPER includes four new focuses:

1. Continuous homecare provided in an ALF
2. Routine homecare provided in an ALF
3. Routine homecare provided in a nursing facility
4. Routine homecare provided in a skilled nursing facility

(For more information about specific target area criteria, visit the “Training & Resources for Hospices” webpage on PEPPERresources.org.)

Although Hrehor says she hadn’t heard many murmurings about the expansion of the hospice report prior to its release, she doubts industry stakeholders were all that surprised.
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“It seems like there’s been a lot of press and focus on hospices—some of the concerns with regards to improper Medicare payment,” she explains, highlighting the increasing scrutiny—and consequent susceptibility to fraud and abuse—the industry is facing as it grows.

“There are some unscrupulous people out there who are using it as a way to enrich themselves off the Medicare program,” she says.

However, in addition to mounting regulatory demands and an intensified focus on misdeeds, hospice’s evolution is also characterized by increasing recognition along the care continuum of the valuable and distinctive services the setting offers.

“[Hospice is] a wonderful service that provides a lot of care and comfort to patients and their families during the last few months of life,” says Hrehor.

She stresses that it’s important to safeguard this valuable benefit. This effort seems especially important in the face of the industry’s small, yet powerful faction of abusers—and is one that PEPPER can advance by revealing providers’ performance areas that may be at risk for improper Medicare payments, and, in turn, potentially shining a light on bad actors who mar the industry’s reputation.

Accessing and using the report

Hospice leadership (i.e., CEOs, presidents, or administrators) can access this year’s PEPPER through the report’s secure portal after entering the following verification information:

- The organization’s six-digit CMS certification number (also called a provider number or PTAN). TMF notes that this is not the same number as tax or national provider identification numbers.
- A patient control number (found at form locator 03a on the UB04 claim form) OR medical record number (found at form locator 03b on the UB04) for a traditional fee-for-service Medicare Part A patient who received care from the organization during September 2014.

To find out how hospices and other PEPPER recipients are using their annual report to fuel progress in quality care delivery and shape internal auditing initiatives, see the graph below.

How providers use PEPPER

Based on 130 responses to a feedback form available on the PEPPER website, healthcare providers are using the report to:

- Assess previous efforts to change billing patterns: 18%
- Educate staff regarding coding guidelines: 31%
- Assess case management procedures: 35%
- Review their diagnosis and procedure coding process: 35%
- Educate medical staff: 44%
- Improve the quality of clinical documentation: 47%
- Guide the auditing process to focus on areas of potential vulnerability: 68%

Source: Kim Hrehor, MHA, RHIA, CHC, project director at TMF