What is PEPPER?

- Program for Evaluating Payment Patterns Electronic Report (PEPPER) summarizes Medicare claims data statistics for one provider in areas (“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, MAC jurisdiction and state.
- PEPPER cannot identify improper Medicare payments!
History of PEPPER

- 2003: Developed by TMF for short-term acute care and later long-term acute care hospitals; was provided by Quality Improvement Organizations (QIOs) through 2008.
- 2010: TMF began distributing PEPPER to all providers in the nation, began development of PEPPER for other providers:
  - 2011: Critical access hospitals, inpatient psychiatric facilities, inpatient rehabilitation facilities
  - 2012: Partial hospitalization programs and hospices
  - 2013: Skilled nursing facilities
  - 2015: Home health agencies
Why is CMS Providing 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 and support their auditing and monitoring activities.
Why Should You Be Interested?

- Providers are under focus:
  - Office of Inspector General Work Plan
  - Recovery Auditors, Medicare Administrative Contractors, Supplemental Medical Review Contractors, etc.
- Would you like to know if your statistics might be a red flag to auditors?