Three Basic Statistics

- Count of episodes or claims (numerator and denominator)
- Payments (sum and average)
  - Not available for RHC in ALF, RHC in NF, RHC in SNF, Single Diagnosis Coded, Long GIP Stays
- Average length of stay (numerator and denominator)
  - Not available for RHC in ALF, RHC in NF, RHC in SNF, Single Diagnosis Coded, Long GIP Stays
Percents and Percentiles

- Percents and percentiles are at the heart of PEPPER.

- It is easy to confuse these terms.

- Let’s clarify the definitions and how they relate to each other in PEPPER.
Target Area Statistics

- **Numerator** – number of episodes/claims/days meeting numerator definition; will not display if <11
- **Denominator** – number of episodes/claims/days meeting denominator definition; will not display if <11
Target Area Percents

- Target area percents are calculated by dividing the numerator count by the denominator count for each hospice for each time period, then multiplying by 100.

- Example: Live discharges; No Longer Terminally Ill:

  \[
  \frac{51 \text{ beneficiary episodes discharged alive}}{60 \text{ beneficiary episodes discharged}} \times 100 = 85\%
  \]
The target area percent lets the hospice know its billing patterns.

More useful information comes from knowing how it compares to other hospices, which is why we calculate percentiles.

Definition of a percentile:

– The percentage of hospices with a lower target area percent
Percentiles, cont.

- To calculate percentiles for all hospices in a comparison group (nation, jurisdiction or state), the target area percents are sorted from largest to smallest for each time period.

- Example:
  - If 40% of the hospices’ target area percents were lower than Hospice A, then Hospice A would be at the 40th percentile.
Percentile Calculation Example

- The top two hospices’ percents are at or above the 80th percentile.
Review: How does PEPPER Identify Hospices at Risk?

- A hospice’s target area percent is compared to other hospices’ percents in the nation, MAC jurisdiction and state.
- If the hospice’s target area percent is at/above the national 80th percentile or at/below the national 20th percentile, it is identified as at risk for improper Medicare payments.
- Compare and Target Area reports:
  - **Red bold print** – at or above the national 80th percentile for the target area