Three Basic Statistics

- Count of episodes/RUG days of care (numerator and denominator)
- Payments (sum and average)
  - Only available for “90+day Episodes”
- Average length of stay (ALOS)
  - Not available for “Change of Therapy Assessment”
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** – count of episodes/RUG days meeting the numerator definition; will not display if <11
- **Denominator** – count of episodes/RUG days meeting the 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 SNF for each time period, then multiplying by 100.

- Example: 90+ Day episodes of care:

\[
\frac{13 \text{ episodes of care with 90+ days at the SNF}}{25 \text{ episodes of care at the SNF}} \times 100 = 52\%
\]
Percentiles

- The target area percent lets the SNF know its billing patterns.
- More useful information comes from knowing how it compares to other SNFs, which is why we calculate percentiles.
- Definition of a percentile:
  - The percentage of SNFs with a lower target area percent
Percentiles, cont.

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

Example:

– If 40 percent of the SNFs’ target area percents were lower than SNF A, then SNF A would be at the 40\(^{\text{th}}\) percentile.
Percentile Calculation Example

- The top two SNFs’ percents are at or above the 80\textsuperscript{th} percentile.
- The bottom two SNFs’ percents are at or below the 20\textsuperscript{th} percentile (for areas at risk for undercoding only).
Review: How does PEPPER identify Providers at Risk?

- A provider’s target area percent is compared to other providers’ percents in the nation, MAC jurisdiction and state.
- If the provider’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
  - **Green italic print** – at or below the national 20th percentile for the target area (areas at risk for undercoding only)