



***Q4FY19 Critical  
Access Hospital  
PEPPER Review***

Spring 2020

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## Agenda

- Review the Q4FY19 *Critical Access Hospital (CAH) Program for Evaluating Payment Patterns Electronic Report (PEPPER)*.
  - *Single Complication or Comorbidity (CC) or Major Complication or Comorbidity (MCC) target area revision*
- 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 recorded training sessions available in the CAH “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 developed PEPPERS for short-term acute care hospitals (STACHs) 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: CAHs, inpatient psychiatric facilities, and inpatient rehabilitation facilities (2011); hospices and partial hospitalization programs (2012); skilled nursing facilities (2013); and home health agencies (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.

## Q4FY19 *CAH PEPPER* Release

Summarizes statistics for three federal fiscal years:

- 2017
- 2018
- 2019

Statistics for all time periods are refreshed with each release.

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

## CAH Improper Payment Risks

- CAHs are reimbursed based on cost, rather than diagnosis-related group (DRG).
- CAHs treat many of the same types of patients that STACHs do.
- CAH can be at risk for unnecessary admissions.
- Coding errors do not impact CAH reimbursement; however, correct coding is important.
- Most of the *CAH PEPPER* target areas are the same as those for STACHs.

## PEPPER Target Areas

- Areas identified as potentially at risk for improper Medicare payments (e.g., coding or billing errors, unnecessary admissions/services)
- A target area is constructed as a ratio:
  - Numerator = discharges identified as potentially problematic (likely to be miscoded or admitted unnecessarily)
  - Denominator = larger reference group that contains the numerator

## CAH PEPPER Target Areas

- *Stroke Intracranial Hemorrhage*
- *Respiratory Infections*
- *Simple Pneumonia*
- *Septicemia*
- *Medical DRGs with CC or MCC*
- *Surgical DRGs with CC or MCC*
- *Single CC or MCC*
- *Chronic Obstructive Pulmonary Disease*
- *Three-Day Skilled Nursing Facility-Qualifying Admissions*
- *Swing Bed Transfers*
- *30-Day Readmissions to Same Hospital Or Elsewhere*
- *30-Day Readmissions to Same Hospital*
- *Two-Day Stays for Medical DRGs*
- *Two-Day Stays for Surgical DRGs*
- *One-Day Stays for Medical DRGs*
- *One-Day Stays for Surgical DRGs*

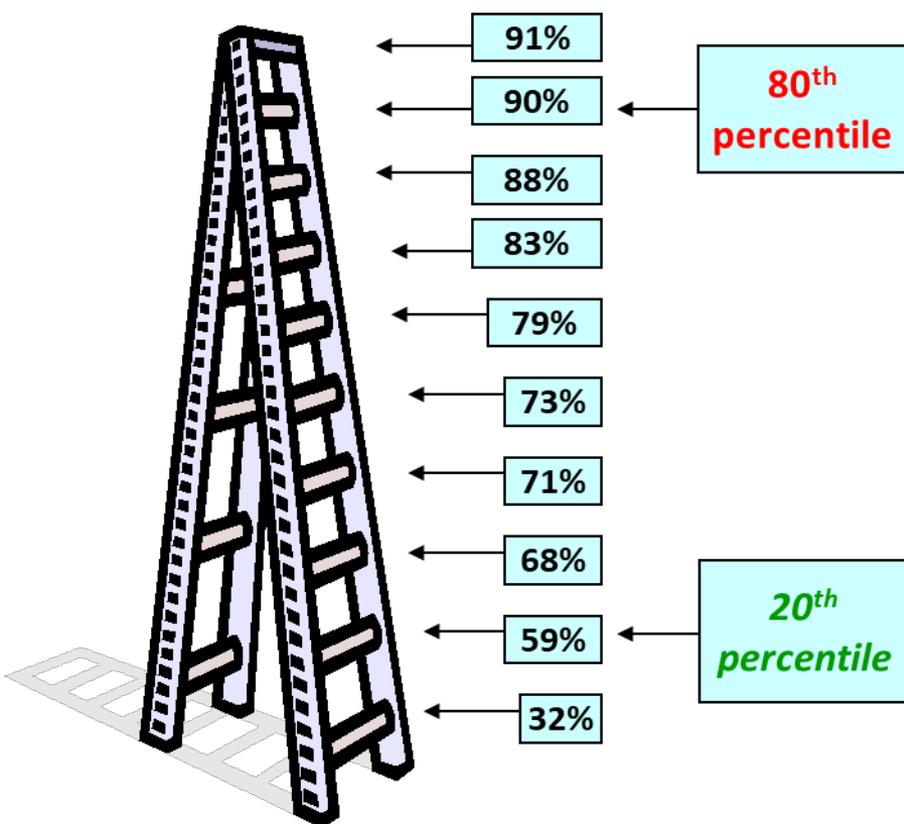
## Revision: *Single CC/MCC*

- The PEPPER team identified that previous reports undercounted target (numerator) discharges.
  - Evaluated the count of CCs and MCCs for DRGs whether the DRG was assigned on the basis of a CC, an MCC, or either CC or MCC
- Revision: Evaluates three distinct scenarios:
  - The count of CCs for DRGs assigned on the basis of a CC
  - The count of MCCs for DRGs assigned on the basis of an MCC
  - The count of CCs and MCCs for DRGs assigned on the basis of a CC or MCC
- As a result, most hospitals will observe an increase in their target discharges. The claims most likely to be missed in previous reports were assigned on the basis of an MCC.

# Example Target Area Definition

| Target Area       | Target Area Definition  |
|-------------------|---|
| <b>Septicemia</b> | <i>Numerator (N)</i> : count of discharges for DRGs 870, 871, 872<br><br><i>Denominator (D)</i> : count of discharges for DRGs 193, 194, 195, 207, 208, 689, 690, 870, 871, 872 |

# Percentile Calculation Example



- The top two hospitals' percents are at or above the 80th percentile.
- The bottom two hospitals' percents are at or below the 20th percentile (for areas at risk for under-coding only).

## 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?

## Obtaining Your PEPPER

- PEPPER is distributed annually in electronic format.
- It is available via the PEPPER Portal:
  - Visit [PEPPER.CBRPEPPER.org](https://PEPPER.CBRPEPPER.org).
  - Under the “About PEPPER” drop-down menu, click on the “PEPPER Distribution – Get Your PEPPER” tab.
  - Review the instructions and access the portal.
- Each release of PEPPER will be available for approximately two years from the original date of release.
- PEPPER cannot be sent via email.

# Required Information to Access PEPPER via the PEPPER Portal

- Six-digit CMS Certification Number (also referred to as the provider number or Provider Transaction Access Number [PTAN])
  - Not the same as the tax ID or National Provider Identifier (NPI) number
- Validation code
  - Emailed to the CAH's QualityNet Administrator
  - **Note:** In the future, it may be emailed to contact listed in:
    - [National Plan and Provider Enumeration System](https://nppes.cms.hhs.gov/#/) (NPPES):  
<https://nppes.cms.hhs.gov/#/>
    - [Provider Enrollment, Chain, and Ownership System](https://pecos.cms.hhs.gov/pecos/login.do#headingLv1) (PECOS):  
<https://pecos.cms.hhs.gov/pecos/login.do#headingLv1>
    - Please ensure information is current in these systems

# 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, specialized programs/services, patient population, referral sources, or health care environment? Verify by:
    - Sampling claims and reviewing documentation in medical record.
    - Reviewing the 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 Data

- National-level and state-level data is available at [PEPPER.CBRPEPPER.org](http://PEPPER.CBRPEPPER.org) on the “Data” page.
  - Target areas
  - Top DRGs
- This 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 CAHs in three categories:
  - Size (i.e., number of discharges)
  - Location (i.e., urban or rural)
  - Ownership type (i.e., profit/physician-owned, nonprofit/church, or government)

## Peer Group Bar Charts

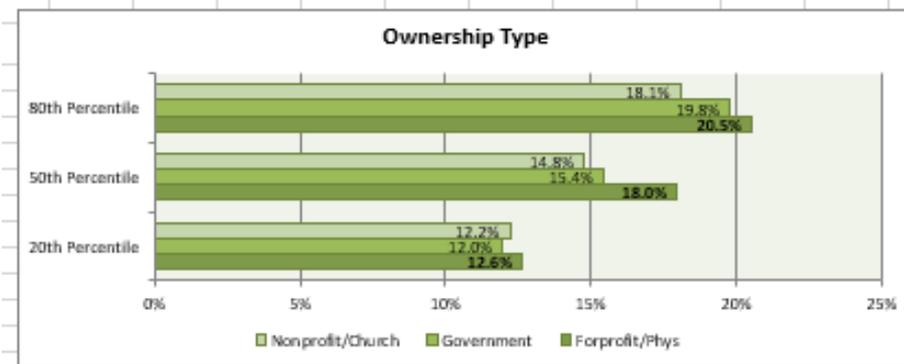
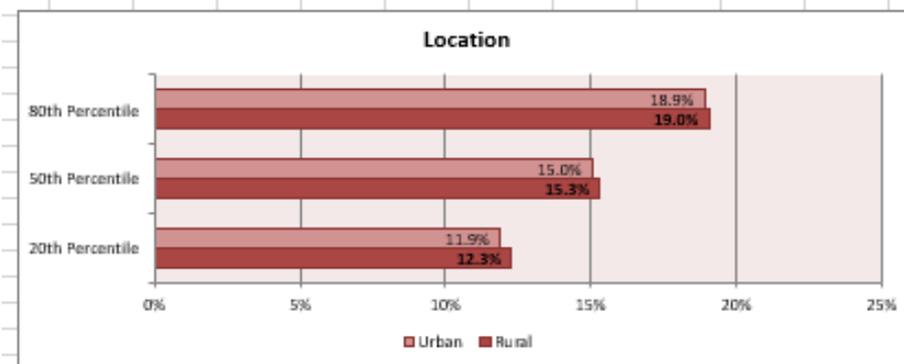
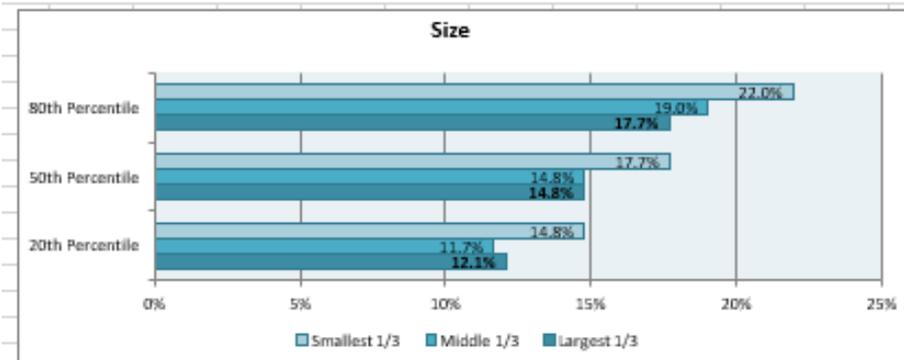
- Will be updated annually
- Refer to “Methodology” and “CAHs by Peer Group” files for additional details
- Disagree with your ownership type or location?
  - Contact your CMS Regional Office Coordinator with any updates/corrections

# Example: 30-Day Readmissions to Same or Elsewhere

## Percentiles by Peer Group - Critical Access Hospitals - Q4FY18

Based on discharges between 10/01/2017 to 09/30/2018

### Target Area: 30-day Readmissions to Same Hospital or Elsewhere



# PEPPER.CBRPEPPER.org

## “Training and Resources” Page

- CAH PEPPER User’s Guide*
- Jurisdictions spreadsheet
- Recorded PEPPER training sessions
- Sample *CAH PEPPER*
- History of target area changes and impact

## For Assistance with PEPPER



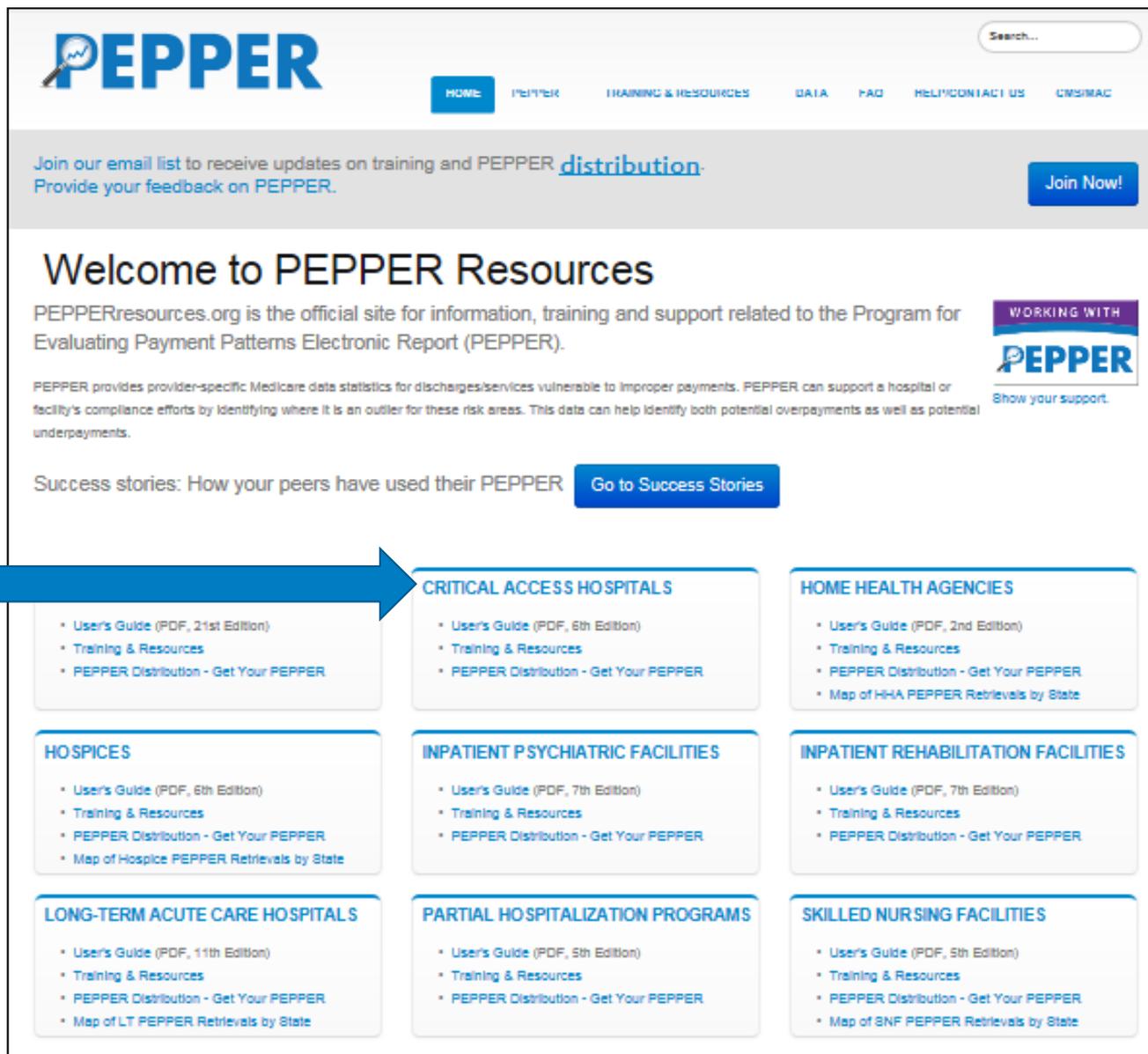
If you have questions or need individual assistance, click on “Help/Contact Us,” and submit your request through the Help Desk.



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.



The screenshot shows the PEPPER Resources website. At the top left is the PEPPER logo. To its right is a search bar. Below the logo is a navigation menu with links for HOME, PEPPER, TRAINING & RESOURCES, DATA, FAQ, HELP/CONTACT US, and CMS/MAC. A banner below the navigation invites users to join an email list for updates on training and PEPPER distribution, with a 'Join Now!' button. The main heading is 'Welcome to PEPPER Resources'. Below this is a paragraph explaining that PEPPERresources.org is the official site for information, training, and support related to the Program for Evaluating Payment Patterns Electronic Report (PEPPER). To the right of this paragraph is a 'WORKING WITH PEPPER' logo and the text 'Show your support.'. Below the paragraph is a section for 'Success stories: How your peers have used their PEPPER' with a 'Go to Success Stories' button. A large blue arrow points from the left towards the 'CRITICAL ACCESS HOSPITALS' category. Below this are nine category boxes, each containing a list of resources: User's Guide (PDF), Training & Resources, and PEPPER Distribution - Get Your PEPPER. Some categories also include a map of retrievals by state.

**PEPPER**

Search...

[HOME](#) [PEPPER](#) [TRAINING & RESOURCES](#) [DATA](#) [FAQ](#) [HELP/CONTACT US](#) [CMS/MAC](#)

Join our email list to receive updates on training and PEPPER [distribution](#).  
Provide your feedback on PEPPER. [Join Now!](#)

## 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).

**WORKING WITH 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](#)

### CRITICAL ACCESS HOSPITALS

- User's Guide (PDF, 21st Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER

### HOME HEALTH AGENCIES

- User's Guide (PDF, 2nd Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER
- Map of HHA PEPPER Retrievals by State

### HOSPICES

- User's Guide (PDF, 6th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER
- Map of Hospice PEPPER Retrievals by State

### INPATIENT PSYCHIATRIC FACILITIES

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

### INPATIENT REHABILITATION FACILITIES

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

### LONG-TERM ACUTE CARE HOSPITALS

- User's Guide (PDF, 11th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER
- Map of LT PEPPER Retrievals by State

### PARTIAL HOSPITALIZATION PROGRAMS

- User's Guide (PDF, 5th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER

### SKILLED NURSING FACILITIES

- User's Guide (PDF, 5th 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).