



***Q4FY19 Inpatient  
Psychiatric Facility  
PEPPER Review***

Spring 2020

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# Agenda

- Review the Q4FY19 *Inpatient Psychiatric Facility (IPF) Program for Evaluating Payment Patterns Electronic Report (PEPPER)*
  - No target area revisions
- 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 IPF “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: critical access hospitals, IPFs, 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 *IPF 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.

# IPF Improper Payment Risks

IPFs are reimbursed through the IPF prospective payment system (PPS).

IPFs can be at risk for improper Medicare payments due to coding errors or unnecessary admissions.

*IPF PEPPER* target areas were identified based on a review of the IPF PPS, coordination with CMS IPF subject matter experts, and analysis of national claims data.

## PEPPER Target Areas

- Areas identified as potentially at risk for improper Medicare payments (e.g., coding or billing errors, unnecessary services)
- A target area is constructed as a ratio:
  - Numerator = discharges identified as potentially problematic
  - Denominator = larger reference group

## IPF PEPPER Target Areas

Target Area	Target Area Definition
<b>Comorbidities</b>	<i>Numerator (N):</i> count of discharges with at least one comorbidity on the claim <i>Denominator (D):</i> count of all discharges
<b>No Secondary Diagnoses</b>	<i>N:</i> count of discharges with no secondary diagnosis codes <i>D:</i> count of all discharges
<b>Outlier Payments</b>	<i>N:</i> sum of outlier approved amounts, in dollars <i>D:</i> sum of Medicare reimbursement, in dollars

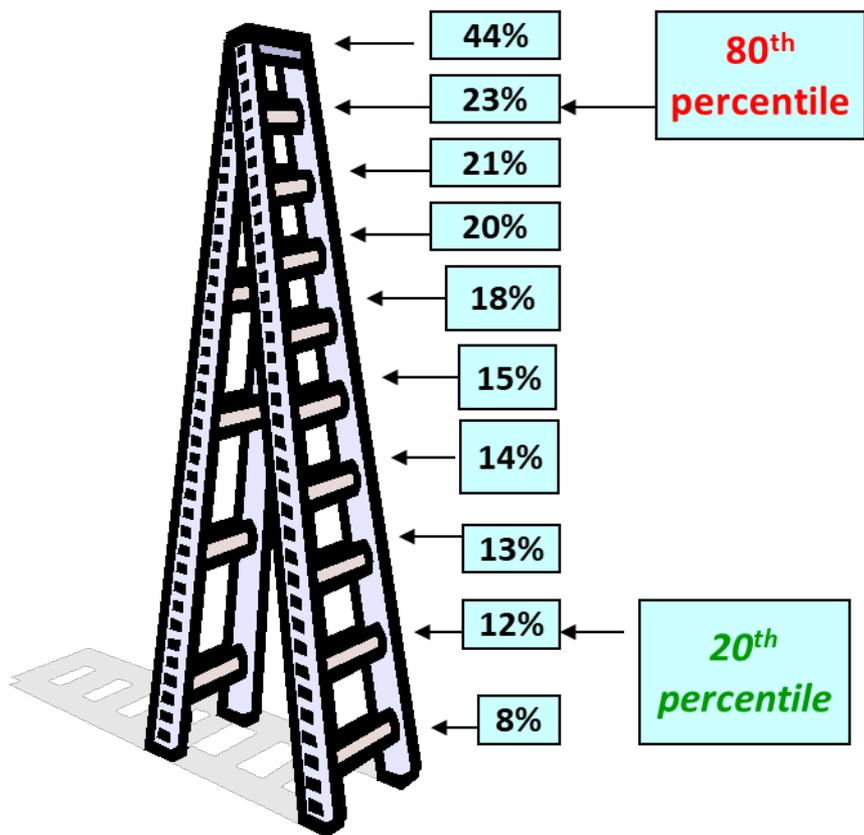
# IPF PEPPER Target Areas

Target Area	Target Area Definition
<b>3- to 5-Day Readmissions</b>	<p><i>N</i>: count of index (first) admissions for which a readmission occurred within three to five calendar days (four to six consecutive days) to the same IPF or to another IPF for the same beneficiary</p> <p><i>D</i>: count of all discharges excluding patient discharge status code 20 (expired)</p>
<b>30-Day Readmissions</b>	<p><i>N</i>: count of index (first) admissions for which a readmission occurred within 30 days to the same IPF or to another IPF for the same beneficiary (identified using the Health Insurance Claim number), excluding patient discharge status codes 65 (discharged/transferred to an IPF), 93 (discharged/transferred to an IPF with planned acute care hospital readmission), 07 (left against medical advice)</p> <p><i>D</i>: count of all discharges excluding patient discharge status codes 65, 20, 93 and 07</p>

## Comorbidities

- The FY2020 and FY2019 IPF PPS Comorbidity Categories and associated International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) diagnosis codes are available in the “Downloads” section at:  
<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/InpatientPsychFacilPPS/tools.html>

# Percentile Calculation Example



- The top two IPFs' percents are at or above the 80th percentile.
- The bottom two IPFs' 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 via QualityNet (QN) to QN administrators and those with basic QN accounts and the PEPPER recipient role.
  - If there is not a QN administrator at your IPF, or if your IPF's QN administrator needs assistance, contact the QN Help Desk at [www.qualitynet.org](http://www.qualitynet.org).
- IPF units of critical access hospitals can obtain their PEPPER via the PEPPER Portal at [PEPPER.CBRPEPPER.org](http://PEPPER.CBRPEPPER.org).
- *IPF PEPPER* is distributed annually.

# Future Distribution of PEPPER

- QN is being phased out in late 2020.
- In the future, PEPPER distribution may be completed 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.
- The validation code to access the PEPPER may be emailed to the provider 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? 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 diagnosis-related groups (DRGs)
- This data is also available at the national level for all IPFs, including the following:
  - Free-standing IPFs
  - IPF distinct part units
- 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 IPFs 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)

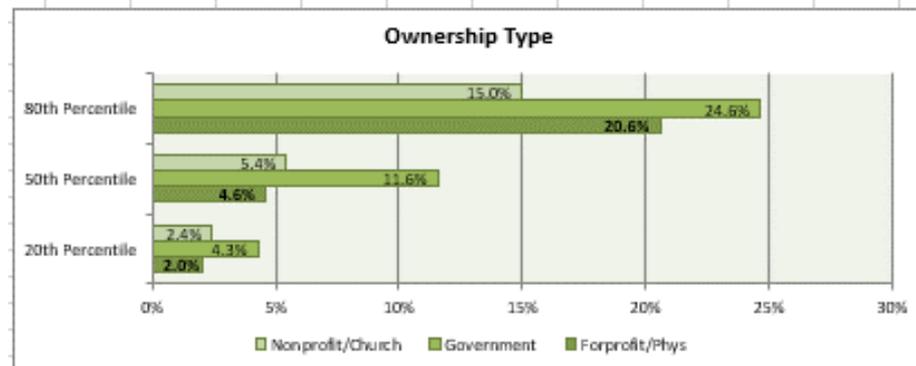
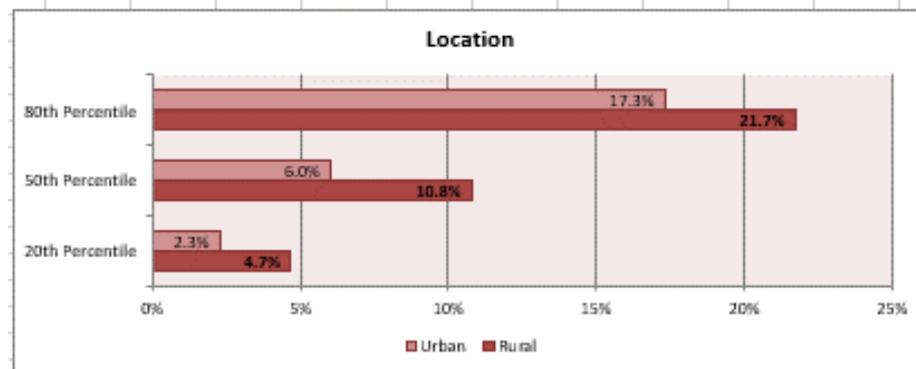
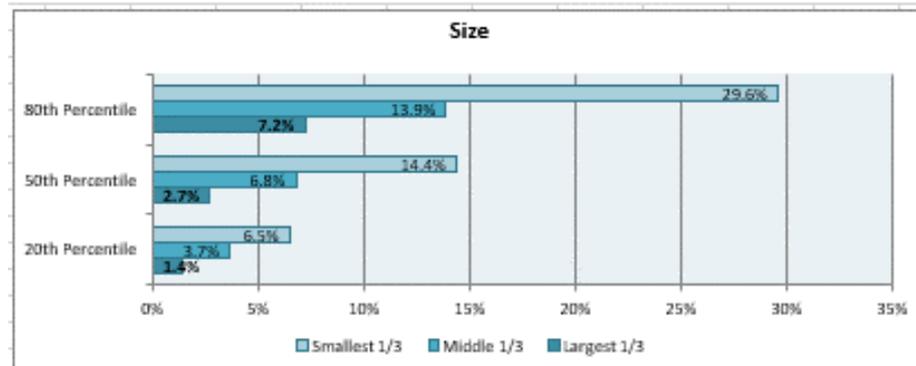
## Peer Group Bar Charts

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

**Percentiles by Peer Group - Inpatient Psychiatric Facility - Q4FY17**

Based on discharges ending between 10/01/2016 to 09/30/2017

**Target Area: Outlier Payments**



**Example:**  
*Outlier Payments*

# PEPPER.CBRPEPPER.org “Training and Resources” Page

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

## For Assistance with PEPPER



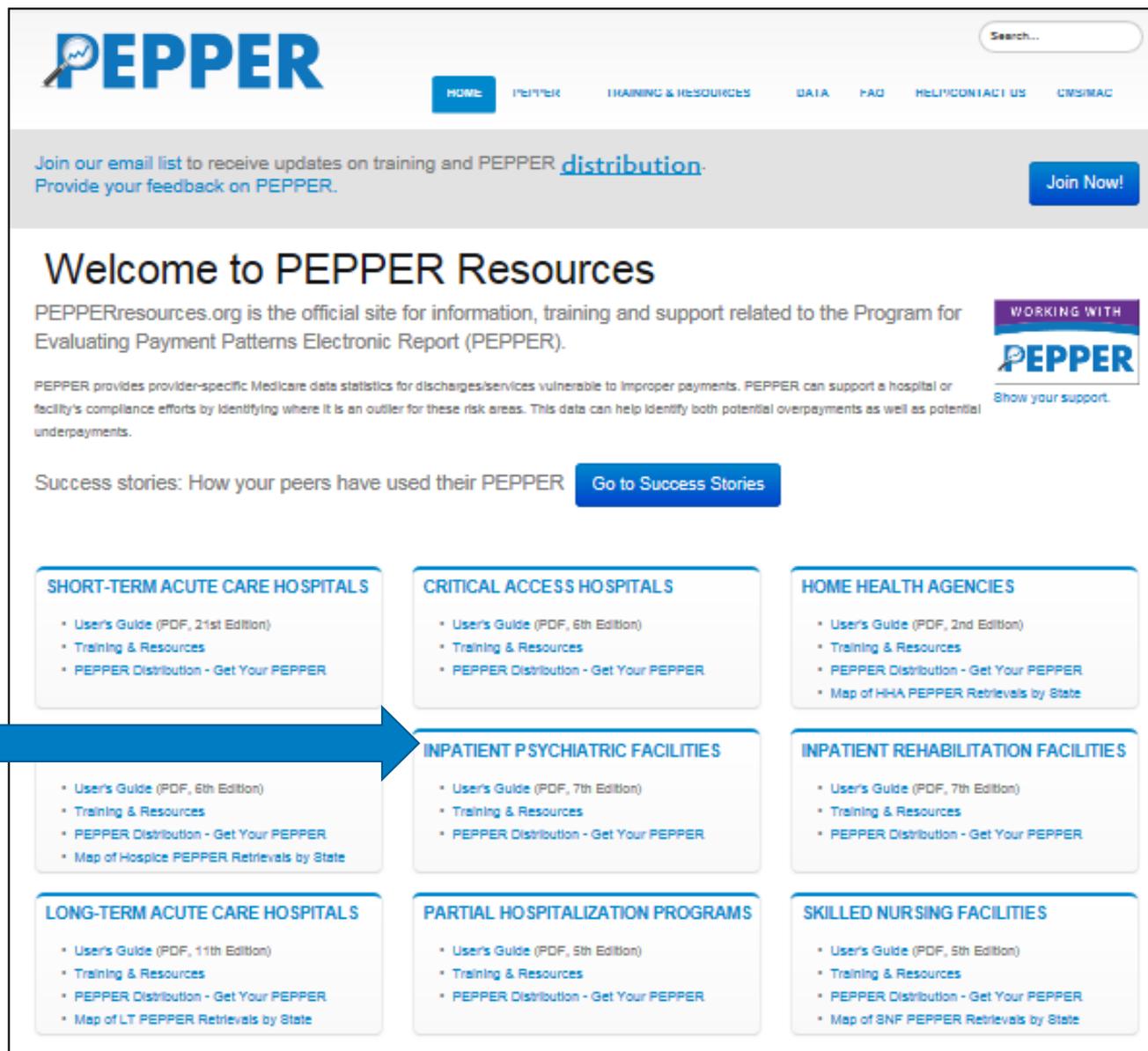
If you have questions or need individual assistance, click on “Help/Contact Us,” and submit your request through the Help Desk.



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/IMAC. A banner below the navigation asks users to join an email list and provides a 'Join Now!' button. The main heading is 'Welcome to PEPPER Resources'. Below this is a paragraph explaining the site's purpose and a 'WORKING WITH PEPPER' logo with the tagline 'Show your support.'. A 'Success stories' section features a 'Go to Success Stories' button. The bottom half of the page is a grid of nine resource boxes, each for a different facility type. A large blue arrow points from the left towards the 'INPATIENT PSYCHIATRIC FACILITIES' box.

**PEPPER**

Search...

HOME PEPPER TRAINING & RESOURCES DATA FAQ HELP/CONTACT US CMS/IMAC

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).

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.

**WORKING WITH PEPPER**  
Show your support.

Success stories: How your peers have used their PEPPER [Go to Success Stories](#)

**SHORT-TERM ACUTE CARE HOSPITALS**

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

**CRITICAL ACCESS HOSPITALS**

- User's Guide (PDF, 6th 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

**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

**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).