



***Q4FY20 Inpatient  
Psychiatric Facility  
PEPPER Review***

Spring 2021

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# Agenda

- Review the Q4FY20 *Inpatient Psychiatric Facility (IPF) Program for Evaluating Payment Patterns Electronic Report (PEPPER)*
- 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 Health Quality Institute 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.

## Q4FY20 *IPF PEPPER* Release

Summarizes statistics for three federal fiscal years:

- 2018
- 2019
- 2020

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><i>Comorbidities</i></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><i>No Secondary Diagnoses</i></b>	<i>N:</i> count of discharges with no secondary diagnosis codes <i>D:</i> count of all discharges
<b><i>Outlier Payments</i></b>	<i>N:</i> sum of outlier approved amounts, in dollars <i>D:</i> sum of Medicare reimbursement, in dollars

## IPF PEPPER Target Areas, 2

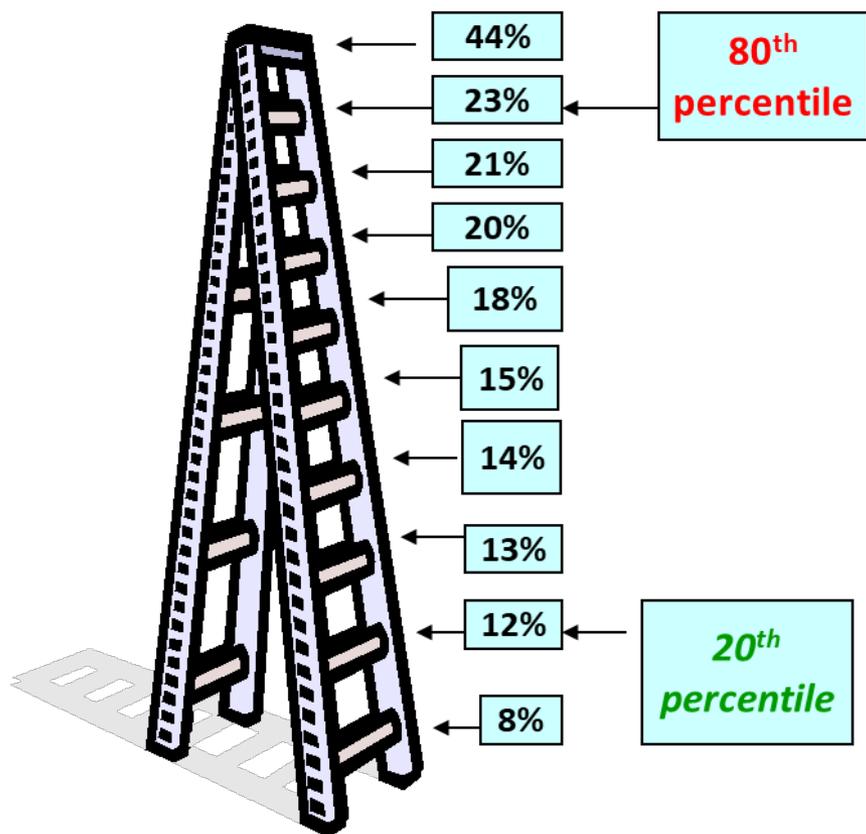
Target Area	Target Area Definition
<p><b>3- to 5-Day Readmissions</b></p>	<p><i>N</i>: count of index (first) admissions for which a readmission occurred within three to five calendar days (four to six consecutive days) to the same IPF or to another IPF for the same beneficiary  <i>D</i>: count of all discharges excluding patient discharge status code 20 (expired)</p>
<p><b>30-Day Readmissions</b></p>	<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)  <i>D</i>: count of all discharges excluding patient discharge status codes 65, 20, 93 and 07</p>

## *Comorbidities*

- The 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>

# 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?

## PEPPER Distribution

- PEPPER is distributed in an electronic format.
- Each release of PEPPER will be available for approximately two years from its original date of release.
- PEPPER cannot be sent via email.
- It is available via the PEPPER Portal:
  - Visit [PEPPERFILE.CBRPEPPER.org](http://PEPPERFILE.CBRPEPPER.org).
  - Links to the portal can be found on the PEPPER homepage: [PEPPER.CBRPEPPER.ORG](http://PEPPER.CBRPEPPER.ORG).

## 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.
  - Free-standing IPF hospitals, third digit is “4.”
  - Short-term acute care hospitals w/ IPF unit, third digit is “0.”
  - Critical access hospitals w/ IPF unit, is “1.”
- The validation codes are emailed to the QualityNet administrator(s) on file.

# 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

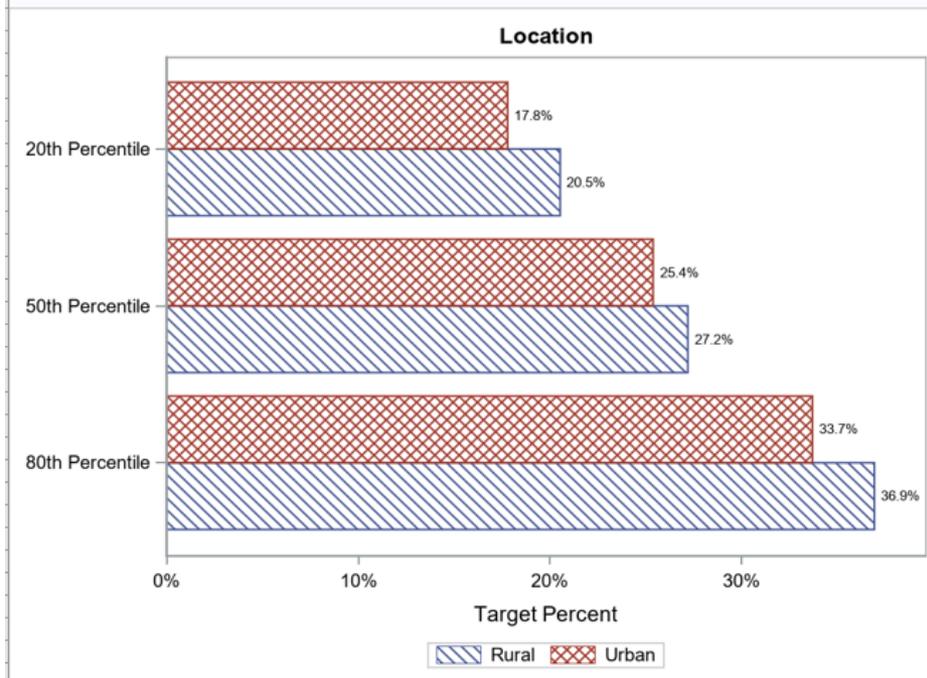
- Will be updated annually
- Refer to “Methodology” and “IPFs by Peer Group” files for additional details
- Disagree with your ownership type or location?
  - Contact your CMS Regional Office Coordinator with any updates/corrections

# Example: *Comorbidities*

## Percentiles by Peer Group - Inpatient Psychiatric Facility Q4FY19

### Target Area: Comorbidities

Demographic Group	20th Percentile	50th Percentile	80th Percentile
Rural	20.5%	27.2%	36.9%
Urban	17.8%	25.4%	33.7%



Note: A peer group must have at least 11 providers with reportable data to be presented in the chart.  
 Data source: Medicare Fee-for-Service discharges between Oct. 1, 2018 and Sep. 30, 2019.  
 Statistics are based on providers with at least 11 discharges in the numerator.

# 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.

## CARES Act

Please note: Policy guidance cited in published CBRs and PEPPERS are based on non-public health emergency Medicare rules. Please check with your Medicare Administrative Contractor to determine if a particular service or supply is impacted by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act, published in March 2020, addresses Medicare flexibilities related to the COVID-19 crisis.

Success stories: How your peers have used their PEPPER

[Go to Success Stories](#)

### SHORT-TERM ACUTE CARE HOSPITALS

- User's Guide (PDF, 32nd Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER

### CRITICAL ACCESS HOSPITALS

- User's Guide (PDF, 9th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER
- Map of CAH PEPPER Retrievals by State

### HOME HEALTH AGENCIES

- User's Guide (PDF, 5th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER
- Map of HHA PEPPER Retrievals by State

### HOSPICES

- User's Guide (PDF, 9th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER
- Map of Hospice PEPPER Retrievals by State

### INPATIENT PSYCHIATRIC FACILITIES

- User's Guide (PDF, 9th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER
- Map of IPF PEPPER Retrievals by State

### INPATIENT REHABILITATION FACILITIES

- User's Guide (PDF, 10th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER
- Map of IPF PEPPER Retrievals by State

### LONG-TERM ACUTE CARE HOSPITALS

- User's Guide (PDF, 14th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER
- Map of LT PEPPER Retrievals by State

### PARTIAL HOSPITALIZATION PROGRAMS

- User's Guide (PDF, 7th Edition)
- Training & Resources
- PEPPER Distribution - Get Your PEPPER
- Map of PHP PEPPER Retrievals by State

### SKILLED NURSING FACILITIES

- User's Guide (PDF, 8th 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).