



New and Improved PEPPER Format

July 2020



Introducing the New PEPPER Format

- In addition to the data and information you are used to seeing, the Program for Evaluating Payment Patterns Electronic Report (PEPPER) now includes these features:
 - Greater accessibility
 - Cleaner presentation
 - Improved readability
- Notable changes to PEPPER include the following:
 - Removed text boxes (replacing with text where needed)
 - Increased font size throughout
 - Removed alternate row shading
 - Labeled tables
 - Revised report titles

Introducing the New PEPPER Format, cont.

- These changes make PEPPERs more accessible to everyone, using Section 508 accessibility standards.
- To learn more about Section 508, review the information provided by the United States Department of Health and Human Services:
<https://www.hhs.gov/web/section-508/index.html>.
- PEPPERs are now created in Excel 2016 as .xlsx files.
 - Customers with an earlier version of Excel for whom upgrading to a newer version of Excel is not possible may find options to open the PEPPER file via an internet search.

Introductory Note

- The examples included in this presentation are from a *Critical Access Hospital (CAH) PEPPER*. However, the information shared in this presentation is also applicable to PEPPERS for the following provider types:
 - Long-Term Acute Care Hospitals
 - Inpatient Psychiatric Facilities
 - Inpatient Rehabilitation Facilities
 - Hospices
 - Skilled Nursing Facilities
 - Partial Hospitalization Programs
 - Home Health Agencies

Purpose Page

- Added the Centers for Medicare & Medicaid Services (CMS) logo
- Revised layout slightly
- Removed link to PEPPER “Training & Resources” page on the website

Old vs. New: Purpose Page

Purpose of Critical Access Hospital
Program for Evaluating Payment Patterns Electronic Report



000013, Provider A0013

Most Recent Three Federal Fiscal Years Through Q4FY19

The Program for Evaluating Payment Patterns Electronic Report (PEPPER) is an educational tool that supports CMS' efforts to protect the Medicare Trust Fund. PEPPER summarizes a hospital's Medicare claims data for diagnosis-related groups (DRGs) and discharges that have been identified as at higher risk for improper payments.

Please refer to the *Critical Access Hospital (CAH) PEPPER User's Guide* at <https://pepper.cbrpepper.org> for guidance using the report. The statistics are summarized and reported as three 12-month time periods based on the federal fiscal year which begins on Oct. 1 and ends on Sept. 30. If you need assistance, please visit <https://pepper.cbrpepper.org> and click on the "Help/Contact Us" tab.

This is CAH PEPPER version Q4FY19
Jurisdiction: Jurisdiction 00013

PEPPER is developed under contract with the Centers for Medicare & Medicaid Services (CMS) by RELI Group, along with its partners TMF® Health Quality Institute and CGS.

[Visit PEPPERresources](#)

[Link to PEPPER Training](#)



Purpose of Critical Access Hospital
Program for Evaluating Payment Patterns Electronic Report

000067, Provider A0067

Most Recent Three Federal Fiscal Years Through Q4FY19

PEPPER contains statistics for areas at risk for improper payments, which are referred to in the report as target areas. The statistics are summarized and reported as three 12-month time periods based on the federal fiscal year which begins on Oct. 1 and ends on Sept. 30. Target areas are constructed as ratios and expressed as percents. The numerator represents discharges that have been identified as problematic, and the denominator represents discharges of a larger comparison group. For example, admission necessity-focused target areas generally include in the numerator the diagnosis related groups (DRGs) that have been identified as prone to unnecessary admissions, and the denominator generally includes all discharges for the DRG(s) (i.e., all discharges). Target areas related to DRG-coding generally include in the numerator the DRG(s) that have been identified as prone to DRG-coding errors, and the denominator includes these DRGs in addition to the DRGs to which the original DRG is frequently changed.

PEPPER is developed under contract with the Centers for Medicare & Medicaid Services (CMS) by RELI Group, along with its partners TMF® Health Quality Institute and CGS.

This is CAH PEPPER version Q4FY19
Jurisdiction: Demo Jurisdiction (DMSTR)

Definitions Page

- Removed shading
- Removed hyperlinks to target area worksheets
- Increased font size
- Spelled out “Numerator” and “Denominator” in all instances

Old vs. New: Definitions Page

Target Area	Target Area Definition
Stroke ICH	<p>N: count of discharges for diagnosis-related groups (DRGs) 061 (acute ischemic stroke with use of thrombolytic agent with major complication or comorbidity [MCC]), 062 (acute ischemic stroke with use of thrombolytic agent with complication or comorbidity [CC]), 063 (acute ischemic stroke with use of thrombolytic agent without CC/MCC), 064 (intracranial hemorrhage or cerebral infarction with MCC), 065 (intracranial hemorrhage or cerebral infarction with CC or tPA in 24 hours), 066 (intracranial hemorrhage or cerebral infarction without CC/MCC)</p> <p>D: count of discharges for DRGs 061, 062, or 063, 064, 065, 066, 067 (nonspecific cerebrovascular accident [CVA] and precerebral occlusion without infarct with MCC), 068 (nonspecific CVA and precerebral occlusion without infarct without MCC), 069 (transient ischemia)</p>
Resp Inf	<p>N: count of discharges for DRGs 177 (respiratory infections and inflammations with MCC), 178 (respiratory infections and inflammations with CC)</p> <p>D: count of discharges for DRGs 177, 178, 179 (respiratory infections and inflammations w/o CC/MCC), 193 (simple pneumonia and pleurisy with MCC), 194 (simple pneumonia and pleurisy with CC), 195 (simple pneumonia and pleurisy without CC/MCC)</p> <p>Note: As of the release of the Q4FY18 PEPPER, some hospitals may see increases in the numerator and denominator counts for Simple Pneumonia and in the denominator counts for Respiratory Infection, due to a coding guideline change that came into effect for discharges on Oct. 1, 2017. The note associated with International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) code J44.0 (chronic obstructive pulmonary disease with acute lower respiratory infection) changed from a "Use additional code" note to a "Code also" note, meaning there is no sequencing mandated, allowing coders to assign the principal diagnosis based on the circumstances of the admission (reference ICD-10-CM Official Guidelines for Coding and Reporting FY2018) (I.A.17).</p>
Simp Pne	<p>N: count of discharges for DRGs 193, 194</p> <p>D: count of discharges for DRGs 190 (chronic obstructive pulmonary disease with MCC), 191 (chronic obstructive pulmonary disease with CC), 192 (chronic obstructive pulmonary disease without CC/MCC), 193, 194, 195</p> <p>Note: As of the release of the Q4FY18 PEPPER, some hospitals may see increases in the numerator and denominator counts for Simple Pneumonia and in the denominator counts for Respiratory Infection, due to a coding guideline change that came into effect for discharges on Oct. 1, 2017. The note associated with ICD-10-CM code J44.0 (chronic obstructive pulmonary disease with acute lower respiratory infection) changed from a "Use additional code" note to a "Code also" note, meaning there is no sequencing mandated, allowing coders to assign the principal diagnosis based on the circumstances of the admission (reference ICD-10-CM Official Guidelines for Coding and Reporting FY2018) (I.A.17).</p>
Septicemia	<p>N: count of discharges for DRGs 870 (septicemia or severe sepsis with mechanical ventilation >96 hours), 871 (septicemia or severe sepsis without mechanical ventilation >96 hours with MCC), 872 (septicemia or severe sepsis without mechanical ventilation >96 hours without MCC)</p> <p>D: count of discharges for DRGs 103 (simple pneumonia and pleurisy with MCC), 104 (simple pneumonia and pleurisy without MCC)</p>

Table 1 Target Area Names and Definitions Worksheet

Target Area	Target Area Definition
Stroke ICH	<p>Numerator: count of discharges for diagnosis-related groups (DRGs) 061 (acute ischemic stroke with use of thrombolytic agent with major complication or comorbidity [MCC]), 062 (acute ischemic stroke with use of thrombolytic agent with complication or comorbidity [CC]), 063 (acute ischemic stroke with use of thrombolytic agent without CC/MCC), 064 (intracranial hemorrhage or cerebral infarction with MCC), 065 (intracranial hemorrhage or cerebral infarction with CC or tPA in 24 hours), 066 (intracranial hemorrhage or cerebral infarction without CC/MCC)</p> <p>Denominator: count of discharges for DRGs 061, 062, or 063, 064, 065, 066, 067 (nonspecific cerebrovascular accident [CVA] and precerebral occlusion without infarct with MCC), 068 (nonspecific CVA and precerebral occlusion without infarct without MCC), 069 (transient ischemia)</p>
Resp Inf	<p>Numerator: count of discharges for DRGs 177 (respiratory infections and inflammations with MCC), 178 (respiratory infections and inflammations with CC)</p> <p>Denominator: count of discharges for DRGs 177, 178, 179 (respiratory infections and inflammations w/o CC/MCC), 193 (simple pneumonia and pleurisy with MCC), 194 (simple pneumonia and pleurisy with CC), 195 (simple pneumonia and pleurisy without CC/MCC)</p> <p>Note: As of the release of the Q4FY18 PEPPER, some hospitals may see increases in the numerator and denominator counts for Simple Pneumonia and in the denominator counts for Respiratory Infection, due to a coding guideline change that came into effect for discharges on Oct. 1, 2017. The note associated with International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) code J44.0 (chronic obstructive pulmonary disease with acute lower respiratory infection) changed from a "Use additional code" note to a "Code also" note, meaning there is no sequencing mandated, allowing coders to assign the principal diagnosis based on the</p>

Compare Targets Report

- Removed “Description” column
- Removed link to PEPPER website

Old vs. New: Compare Targets Report

Critical Access Hospital PEPPER

Compare Targets Report, Four Quarters Ending Q4 FY 2019

[Visit PEPPERresources](#)

000013, Provider A0013

The Compare Targets Report displays statistics for target areas that have reportable data (11+ target discharges) in the most recent time period. Percentiles indicate how a hospital's target area percent compares to the target area percents for all hospitals in the respective comparison group. For example, if a hospital's jurisdiction percentile (see below) is 80.0, 80% of the hospitals in the Medicare Administrative Contractor (MAC) comparison group have a lower percent value than that hospital. The hospital's state percentile (if displayed) and the hospital national percentile values should be interpreted in the same manner. Percentiles at or above the 80th percentile for any target areas or at or below the 20th percentile for coding-focused target areas indicate that the hospital may be at a higher risk for improper Medicare payments (outlier status). The greater the percentile value, particularly the national and/or jurisdiction percentile, the greater consideration should be given to that target area.

Critical Access Hospital PEPPER

Compare Targets Report, Four Quarters Ending Q4 FY 2019

000067, Provider A0067

The Compare Targets Report displays statistics for target areas that have reportable data (11+ target discharges) in the time period. Percentiles indicate how a hospital's target area percent compares to the target percents for all hospitals in the respective comparison group. For example, if a hospital's jurisdiction (see below) is 80.0, 80% of the hospitals in the Medicare Administrative Contractor (MAC) comparison group have a lower percent value than that hospital. The hospital's state percentile (if displayed) and the hospital national percentile values should be interpreted in the same manner. Percentiles at or above the 80th percentile for any target areas or at or below the 20th percentile for coding-focused target areas indicate that the hospital may be at a higher risk for improper Medicare payments (outlier status). The greater the percent value, particularly the national and/or jurisdiction percentile, the greater the consideration should be given to that target area.

Table 2 Compare Targets Report

Target	Description	Number of Target Dischs	Percent	Hospital National %ile	Hospital Jurisdict. %ile	Hospital State %ile	Sum of Payments
Simple Pneumonia	Proportion of discharges with DRG equal to 193 (simple pneumonia & pleurisy w/ MCC), 194 (simple pneumonia & pleurisy w/ MCC), to discharges with DRG equal to 190 (chronic obstructive pulmonary disease w/ MCC), 191 (chronic obstructive pulmonary disease w/ CC), 192 (chronic obstructive pulmonary disease w/o CC/MCC), 193, 194, 195 (simple pneumonia & pleurisy w/o CC/MCC)	51	35.7%	12.2	12.0		\$272,297
Septicemia	Proportion of discharges with DRG equal to 870 (septicemia or severe sepsis w/ mechanical ventilation >96 hours), 871 (septicemia or severe sepsis w/o mechanical ventilation >96 hours with MCC), 872 (septicemia or severe sepsis w/o mechanical ventilation >96 hours w/o MCC), to discharges with DRG equal to 193 (simple pneumonia and pleurisy with MCC), 194 (simple pneumonia and pleurisy with CC), 195 (simple pneumonia and pleurisy without CC/MCC), 207 (respiratory system diagnosis with ventilator support 96+ hours), 208 (respiratory system diagnosis with ventilator support < 96 hours), 689 (kidney & urinary tract infections w/ MCC), 690 (kidney & urinary tract infections w/o MCC), 870, 871, 872	11	9.0%	0.4	4.3		\$53,860

Target	Number of Target Dischs	Percent	Hospital National %ile	Hospital Jurisdict. %ile	Hospital State %ile	Sum of Payments
Stroke Intracranial Hemorrhage	17	94.4%	77.4	81.3		\$142,526
Simple Pneumonia	54	64.3%	85.8	93.3	100.0	\$604,792
Septicemia	40	35.4%	45.6	45.5		\$401,451
Medical DRGs with CC or MCC	223	61.8%	82.6	74.5	84.6	\$2,436,429
Surgical DRGs with CC or MCC	19	19.2%	12.8	22.7		\$271,587
Single CC or MCC	139	57.4%	27.6	39.6	46.2	\$1,520,005
Chronic Obstructive Pulmonary Disease	27	23.7%	24.4	29.3	36.4	\$288,251
Three-Day Skilled Nursing Facility-Qualifying Admissions	32	26.7%	12.2	22.7	27.3	\$261,496
Swing Bed Transfers	32	15.9%	14.7	17.9		\$299,664
30-Day Readmissions to Same Hospital or Elsewhere	73	14.9%	46.0	51.0	76.9	\$796,115
30-Day Readmissions to Same Hospital	45	9.2%	67.0	61.0	83.3	\$481,453
Two-Day Stays for Medical DRGs	87	22.7%	55.1	65.4	92.3	\$456,924
Two-Day Stays for Surgical DRGs	15	14.0%	11.5	26.7		\$78,434
One-Day Stays for Medical DRGs	48	12.5%	42.3	51.2	41.7	\$98,863
One-Day Stays for Surgical DRGs	37	34.6%	60.3	54.5		\$68,141

Target Area Report

- Moved the data table above the graph
- Added “Outlier Status” row
- Removed “Need to audit?” text box
- Removed link to PEPPER website
- Removed hyperlink to “Definitions” tab

Old vs. New: Target Area Report

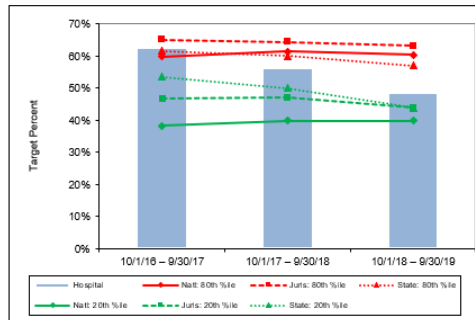
CAH PEPPER
000013, Provider A0013

[Visit PEPPERresources](#)
[Link to Definitions Worksheet](#)

Need to audit? When reviewing this information, you may want to consider auditing a sample of records if you identify:

- Increasing or decreasing target percents over time resulting in outlier status
- Your target percent (first row in the table below) is above the national 80th percentile
- Your target percent is below the national 20th percentile

Medical DRGs with CC or MCC



YOUR HOSPITAL	10/1/16 - 9/30/17	10/1/17 - 9/30/18	10/1/18 - 9/30/19
Target Area Percent	62.5%	56.2%	48.6%
Target Discharge Count Numerator: see Definitions worksheet for complete definition	257	231	238
Denominator Count see Definitions worksheet for complete	411	411	490
Target (Numerator) Average Length of Stay	3.1	2.9	3.1
Denominator Average Length of Stay	2.9	2.7	2.7
Target (Numerator) Average Payment	\$3,711	\$3,680	\$4,730
Target (Numerator) Sum of Payments	\$953,805	\$850,070	\$1,125,846

*Data not available when target discharge count less than 11.

COMPARATIVE DATA	10/1/16 - 9/30/17	10/1/17 - 9/30/18	10/1/18 - 9/30/19
National 80th Percentile	60.0%	61.5%	60.5%
Jurisdiction 80th Percentile	65.1%	64.5%	63.2%
State 80th Percentile	61.7%	60.2%	57.0%
National 20th Percentile	38.4%	39.9%	39.9%
Jurisdiction 20th Percentile	46.8%	47.2%	44.0%
State 20th Percentile	53.5%	50.0%	44.0%

Note: State and/or jurisdiction percentiles are zero if there are fewer than 11 providers with reportable data for the target area in the state and/or jurisdiction.

SUGGESTED INTERVENTIONS FOR HIGH OUTLIERS: This could indicate that there are coding or billing errors related to over-coding due to unsubstantiated CCs or MCCs. A sample of medical records for medical and/or surgical DRGs with CCs or MCCs should be reviewed to determine whether coding errors exist. Hospitals may generate data profiles to identify proportions of their CCs or MCCs to determine if there are any particular medical DRGs on which to focus. Remember that a diagnosis of a CC or MCC must be determined by the physician. A coder should not code based on laboratory or radiological findings without seeking physician determination of the clinical significance of the abnormal finding. If particular diagnoses are found to be problematic, provide education. Note: As of Oct. 1, 2015, a principal diagnosis can also be a CC or MCC. Principal and secondary diagnosis codes should be reviewed to determine whether they are a CC/MCC.

SUGGESTED INTERVENTIONS FOR LOW OUTLIERS: This could indicate that there are coding or billing errors related to under-coding for CCs or MCCs. A sample of medical records for medical and/or surgical DRGs without a CC or MCC should be reviewed to determine

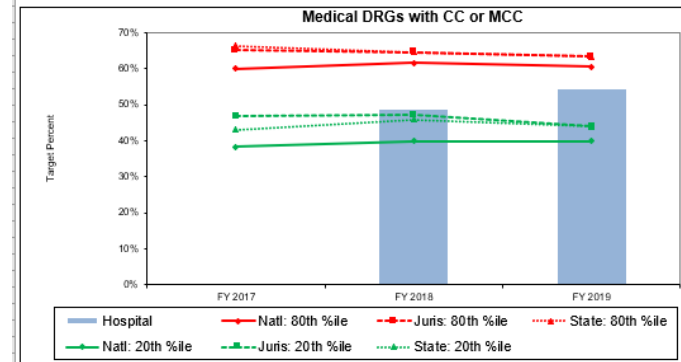
CAH PEPPER
991301, CAH ABC
Table 11 Your Hospital Statistics for Medical DRGs with CC or MCC

YOUR HOSPITAL	FY 2017	FY 2018	FY 2019
Outlier Status	No data	Not an outlier	Not an outlier
Target Area Percent		48.8%	54.7%
Target Discharge Count		20	93
Denominator Count		41	170
Target (Numerator) Average Length of Stay		2.7	3.3
Denominator Average Length of Stay		2.4	2.8
Target (Numerator) Average Payment		\$18,385	\$26,340
Target (Numerator) Sum of Payments		\$367,632	\$2,449,577

Table 12 Comparative Data for Medical DRGs with CC or MCC

COMPARATIVE DATA	FY 2017	FY 2018	FY 2019
National 80th Percentile	60.0%	61.5%	60.5%
Jurisdiction 80th Percentile	65.1%	64.5%	63.2%
State 80th Percentile	66.3%	64.5%	63.2%
National 20th Percentile	38.4%	39.9%	39.9%
Jurisdiction 20th Percentile	46.8%	47.2%	44.0%
State 20th Percentile	43.1%	45.9%	43.9%

Note: State and/or jurisdiction percentiles are zero if there are fewer than 11 providers with reportable data for the target area in the state and/or jurisdiction.



SUGGESTED INTERVENTIONS FOR HIGH OUTLIERS

This could indicate that there are coding or billing errors related to over-coding due to unsubstantiated CCs or MCCs. A sample of medical records for medical and/or surgical DRGs with CCs or MCCs

“Top” Reports

- Widened description column
- Stopped displaying blank rows
- Removed link to PEPPER website

Old vs. New: CAH Top Diagnosis-Related Groups (DRGs) Report

Critical Access Hospital PEPPER
000650 Provider G0650

[Visit PEPPERresources](#)

Hospital Top DRGs, Most Recent Fiscal Year

DRG	Description	Total Discharges for DRG	Proportion of Discharges for Each DRG to Total Discharges	Hospital Average Length of Stay for DRG
470	Major hip and knee joint replacement or reattachment of lower extremity w/o MI	108	18.0%	2.2
871	Septicemia or severe sepsis w/o MV >96 hours w MCC	42	7.0%	4.3
190	Chronic obstructive pulmonary disease w MCC	25	4.2%	4.6
194	Simple pneumonia & pleurisy w CC	23	3.8%	3.5
872	Septicemia or severe sepsis w/o MV >96 hours w/o MCC	23	3.8%	3.3
603	Cellulitis w/o MCC	20	3.3%	3.8
690	Kidney & urinary tract infections w/o MCC	19	3.2%	2.8
191	Chronic obstructive pulmonary disease w CC	14	2.3%	2.8
392	Esophagitis, gastroent & misc digest disorders w/o MCC	12	2.0%	2.4
641	Misc disorders of nutrition,metabolism,fluids/electrolytes w/o MCC	11	1.8%	2.6
192	Chronic obstructive pulmonary disease w/o CC/MCC	11	1.8%	2.9
292	Heart failure & shock w CC	11	1.8%	2.7
291	Heart failure & shock w MCC or peripheral extracorporeal membrane oxygenatio	11	1.8%	3.5

Top DRGs	330	54.9%	3.1
All DRGs	601		3.1

Note: DRGs will display if they had at least 11 discharges in the most recent fiscal year.

Critical Access Hospital PEPPER
000067, Provider A0067

Hospital Top DRGs, Most Recent Fiscal Year Table 35 Hospital Top DRGs

DRG	Description	Total Discharges for DRG	Proportion of Discharges for Each DRG to Total Discharges	Hospital Average LOS for DRG
470	Major hip and knee joint replacement or reattachment of lower extremity w/o MC	67	12.4%	2.1
291	Heart failure & shock w MCC or peripheral extracorporeal membrane oxygenati	37	6.9%	4.1
193	Simple pneumonia & pleurisy w MCC	37	6.9%	4.1
871	Septicemia or severe sepsis w/o MV >96 hours w MCC	30	5.6%	3.9
190	Chronic obstructive pulmonary disease w MCC	18	3.3%	4.1
194	Simple pneumonia & pleurisy w CC	17	3.2%	3.3
690	Kidney & urinary tract infections w/o MCC	13	2.4%	2.5
392	Esophagitis, gastroent & misc digest disorders w/o MCC	12	2.2%	2.7
Top DRGs		231	42.9%	3.3
All DRGs		539		3.4

Note: DRGs will display if they had at least 11 discharges in the most recent fiscal year.

Other Changes Related to 508 Compliance

- Resources on the “Data” page will have a new format:
 - National and state aggregate reports are now PDF files
 - The peer group bar chart format has been updated

Questions or Comments

- If you have questions or need assistance, please contact the [Help Desk](#) at PEPPER.CBRPEPPER.org.
- Share your feedback on the new PEPPER format by completing the [feedback form](#).