



Q4FY19 Skilled Nursing Facility PEPPER Review

Spring 2020

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Agenda

- Review the Q4FY19 *Skilled Nursing Facility (SNF) Program for Evaluating Payment Patterns Electronic Report (PEPPER)*.
 - One new target area was added:
 - *3- to 5-Day Readmissions*
 - Discuss potential changes in the future, reflecting the transition to the Patient Driven Payment Model (PDPM).
- 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 SNF “Training and Resources” section of the PEPPER website at 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, jurisdictions, 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, inpatient psychiatric facilities, and inpatient rehabilitation facilities (2011); hospices and partial hospitalization programs (2012); SNFs (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 *SNF 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.

SNF Improper Payment Risks

- As of Oct. 1, 2019, SNFs are reimbursed through the PDPM.
 - Previously, SNFs were reimbursed through the SNF prospective payment system, based on Resource Utilization Groups (RUGs).
 - Several *SNF PEPPER* target areas were designed to report on payment vulnerabilities specific to the RUGs.
 - The Q4FY19 release still includes these target areas.
 - The following target areas will be phased out for the FY2020 release (anticipated in April 2021):
 - *Therapy RUGs with High ADL*
 - *Nontherapy RUGs with High ADL*
 - *Change of Therapy Assessment*
 - *Ultrahigh Therapy RUGs*

SNF Improper Payment Risks, Continued

- The new target area, *3- to 5-Day Readmissions*, was identified through a review of the PDPM and in coordination with CMS subject matter experts.
- Moving forward, additional target areas may be identified to reflect other potential vulnerabilities related to the PDPM.

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 = RUG days/episodes of care identified as potentially problematic
 - Denominator = larger reference group that contains the numerator

SNF Target Areas

Target Area	Target Area Definition
<p><i>Therapy RUGs with High ADLs</i></p>	<p><i>Numerator (N):</i> count of days billed with RUG equal to RUX, RVX, RHX, RMX, RUC, RVC, RHC, RMC, RLB</p> <p><i>Denominator (D):</i> count of days billed for all therapy RUGs</p>
<p><i>Nontherapy RUGs with High ADLs</i></p>	<p><i>N:</i> count of days billed with RUG equal to SSC, CC2, CC1, BB2, BB1, PE2, PE1, IB2, IB1 in RUG III; HE2, HE1, LE2, LE1, CE2, CE1, BB2, BB1, PE2, PE1 in RUG IV</p> <p><i>D:</i> count of days billed for all nontherapy RUGs</p>
<p><i>Change of Therapy Assessment</i></p>	<p><i>N:</i> count of assessments with AI second digit “D”</p> <p><i>D:</i> count of all assessments</p>

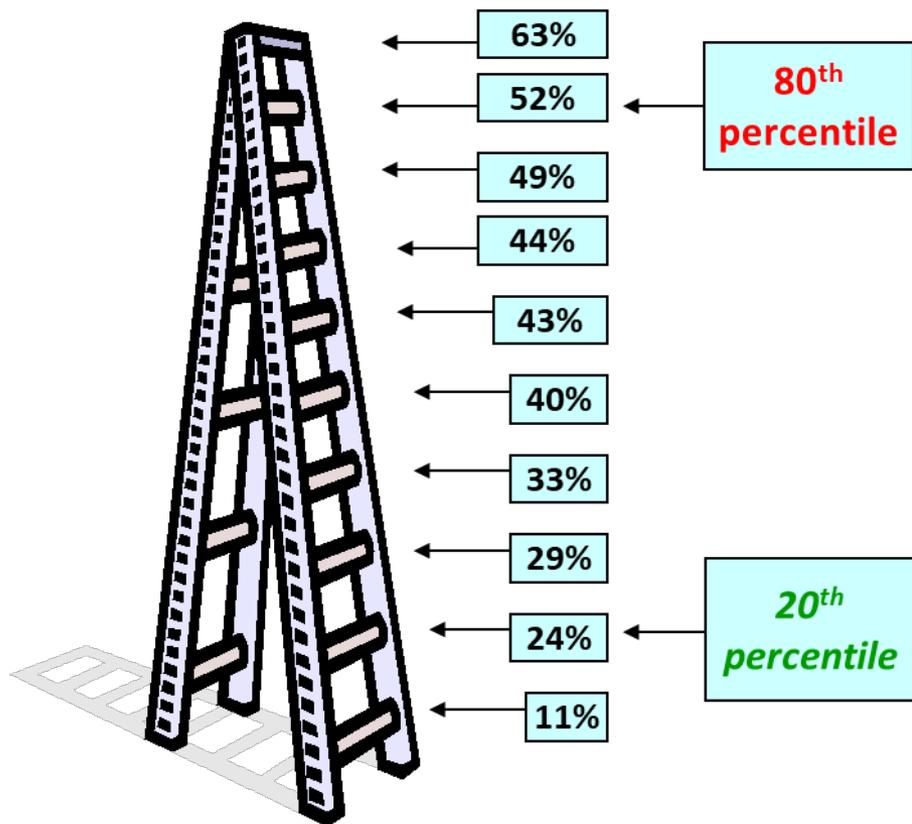
SNF Target Areas, 2

Target Area	Target Area Definition
<i>Ultrahigh Therapy RUGs</i>	<p><i>Numerator (N):</i> count of days billed with RUG equal to RUX, RUL, RUC, RUB, RUA</p> <p><i>Denominator (D):</i> count of days billed for all therapy RUGs</p>
<i>20-day Episodes of Care</i>	<p><i>N:</i> count of episodes of care ending in the report period with a length of stay of 20 days</p> <p><i>D:</i> count of episodes of care ending in the report period</p>
<i>90+ Day Episodes of Care</i>	<p><i>N:</i> count of episodes of care at the SNF with length of stay (LOS) 90+ days</p> <p><i>D:</i> count of all episodes of care at the SNF</p>

SNF Target Areas, 3

Target Area	Target Area Definition
3- to 5-Day Readmissions (new as of Q4FY19 release)	<p><i>N</i>: count of readmissions within three to five calendar days (four to six consecutive days) to the same SNF for the same beneficiary (identified using the Health Insurance Claim number) during an episode that ends during the report period</p> <p><i>D</i>: count of all claims associated with SNF episodes ending during the report period, excluding patient discharge status code 20 (expired)</p>

Percentile Calculation Example



- The top two SNFs' percents are at or above the 80th percentile.
- The bottom two SNFs' 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.

The distribution method for hospital-based SNFs/swingbed units is different than it is for free-standing SNFs.

PEPPER cannot be sent via email.

SNF Swingbeds/Units of Hospitals

- PEPPER is distributed via QualityNet to the hospital QualityNet administrators, as well as those with basic user accounts and the PEPPER recipient role.
 - If there is no QualityNet administrator at your hospital, or if your hospital's QualityNet administrator needs assistance, contact the QualityNet Help Desk at www.qualitynet.org.

Free-Standing SNFs

- PEPPER Portal
 - Visit PEPPER.CBRPEPPER.org.
 - Under the “About PEPPER” drop-down menu, click on the “PEPPER Distribution – Get Your PEPPER” tab.
 - Review instructions and access the portal.
 - Each release will be available for approximately two years from the original release date.

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
- A Patient Control Number (form locator 03a) or Medical Record Number (form locator 03b) from claims of traditional Medicare Fee-for-Service beneficiaries who received services between **July 1 – Sept. 30, 2019**.
- The validation code is updated for each release.

Future Distribution of PEPPER

- QualityNet 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 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 \(NPPES\):
https://nppes.cms.hhs.gov/#/](https://nppes.cms.hhs.gov/#/)
 - [Provider Enrollment, Chain, and Ownership System \(PECOS\):
https://pecos.cms.hhs.gov/pecos/login.do#headingLv1](https://pecos.cms.hhs.gov/pecos/login.do#headingLv1)
 - Please ensure the 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 the medical record and Minimum Data Set (MDS).
 - Reviewing the claim. Was it coded and billed appropriately, based upon documentation in medical record and MDS?
- 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 on the “Data” page.
 - Target areas
 - Top RUGs
 - Top RUGs 90+ day episodes of care
- This data is also available at the national level for all SNFs, including the following:
 - Free-standing SNFs
 - SNF/swingbed 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 SNFs in three categories:
 - Size (i.e., number of episodes)
 - Location (i.e., urban or rural)
 - Ownership type (i.e., profit/physician owned, nonprofit/church, or government)

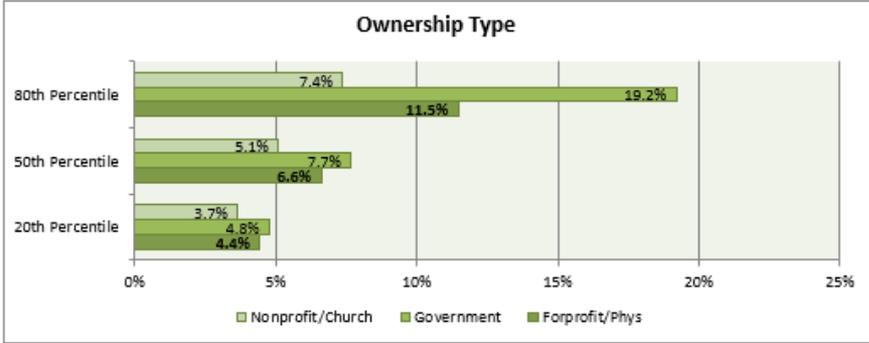
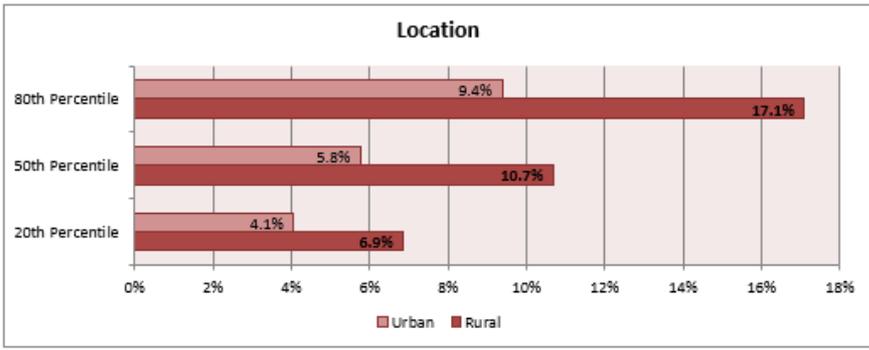
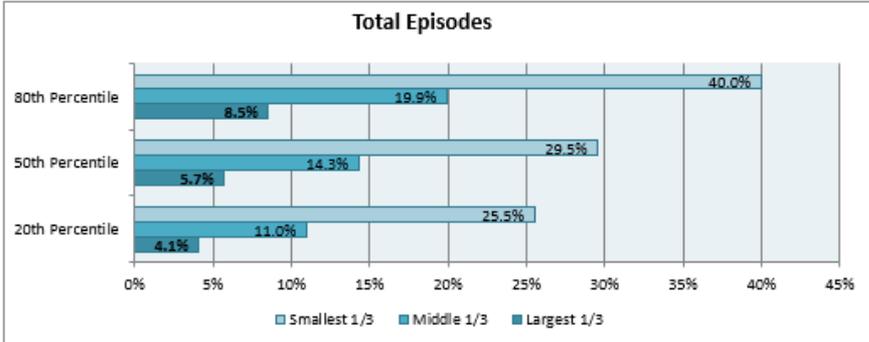
Peer Group Bar Charts

- Will be updated annually
- Refer to “Methodology” and “SNFs 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 - Skilled Nursing Facilities - Q4FY18
 Based on episodes of care ending between 10/01/2017 to 09/30/2018

Target Area: 20-day Episodes of Care

Example:
 20-Day
 Episodes
 of Care



Note : A peer group must have at least 11 providers with reportable data to be presented in the chart.

PEPPER.CBRPEPPER.org

“Training and Resources” Page

- SNF PEPPER User’s Guide*
- Jurisdictions spreadsheet
- Recorded PEPPER training sessions
- Sample *SNF PEPPER*
- Success Stories

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.

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.



Show your support.

Success stories: How your peers have used their PEPPER

[Go to Success Stories](#)

SHORT-TERM ACUTE CARE HOSPITALS

- [User's Guide \(PDF, 26th Edition\)](#)
- [Training & Resources](#)
- [PEPPER Distribution - Get Your PEPPER](#)

CRITICAL ACCESS HOSPITALS

- [User's Guide \(PDF, 8th Edition\)](#)
- [Training & Resources](#)
- [PEPPER Distribution - Get Your PEPPER](#)
 - [See CAH Change in Distribution Method](#)

HOME HEALTH AGENCIES

- [User's Guide \(PDF, 3rd Edition\)](#)
- [Training & Resources](#)
- [PEPPER Distribution - Get Your PEPPER](#)
- [Map of HHA PEPPER Retrievals by State](#)

HOSPICES

- [User's Guide \(PDF, 8th Edition\)](#)
- [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](#)

INPATIENT REHABILITATION FACILITIES

- [User's Guide \(PDF, 9th Edition\)](#)
- [Training & Resources](#)
- [PEPPER Distribution - Get Your PEPPER](#)

LONG-TERM ACUTE CARE HOSPITALS

- [User's Guide \(PDF, 13th Edition\)](#)
- [Training & Resources](#)
- [PEPPER Distribution - Get Your PEPPER](#)
- [Map of LT PEPPER Retrievals by State](#)

PARTIAL HOSPITALIZATION PROGRAMS

- [User's Guide \(PDF, 6th Edition\)](#)
- [Training & Resources](#)
- [PEPPER Distribution - Get Your PEPPER](#)

SKILLED NURSING FACILITIES

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



Questions?

- Visit the Help Desk at PEPPER.CBRPEPPER.org.