



Q4FY20 Skilled Nursing Facility PEPPER Review

Spring 2021

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Agenda

- Review the Q4FY20 *Skilled Nursing Facility (SNF) Program for Evaluating Payment Patterns Electronic Report (PEPPER)*.
 - One new target area was added:
 - *PDPM High Utilization Codes*
 - 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.

Q4FY20 *SNF 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.

SNF Improper Payment Risks

- SNFs are reimbursed through the PDPM.
- In PEPPER, and throughout this webinar, freestanding SNFs and SNF units (swing beds) of short-term acute care hospitals are grouped together and referred to collectively as SNFs.

SNF Improper Payment Risks, Continued

- A new target area, *3- to 5-Day Readmissions*, was identified through a review of the PDPM and in coordination with CMS subject matter experts, and was introduced in the Q4FY19 release.
- The target area PDPM High Utilization Codes was introduced in this PEPPER release, Q4FY20.
- Moving forward, additional target areas may be identified to reflect other potential vulnerabilities related to the PDPM.

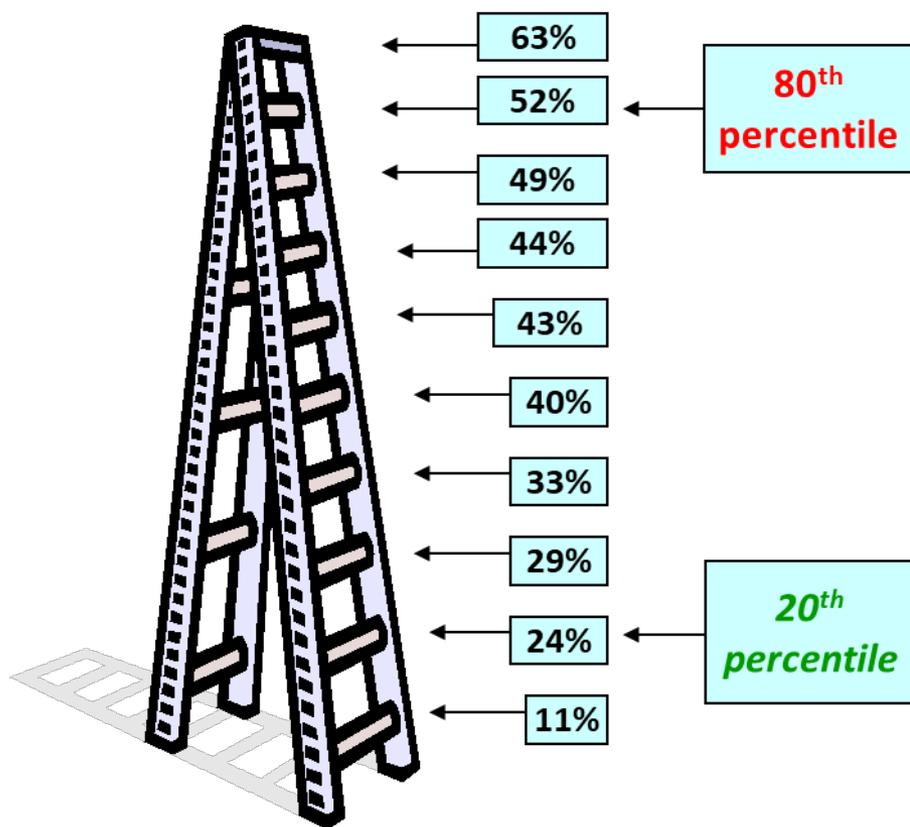
PEPPER Target Areas

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

SNF PEPPER Target Areas

- *PDPM High Utilization Codes*
 - Note: New as of the Q4FY20 release
- *20-Day Episodes of Care*
- *90+Day Episodes of Care*
- *3- to 5- Day Readmissions*
 - Note: New as of the Q4FY19 release

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?

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.
 - Links to the portal can be found on the PEPPER homepage: 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.
 - Freestanding SNF
 - Third digit of this number will be a “5” or “6.”
 - Short-term
 - Third digit of this number will be a “0.”
 - Long-term
 - Third digit of this number will be a “2.”

Required Information to Access PEPPER via the PEPPER Portal, Freestanding SNFs

- Validation Code:
 - Enter either a patient control number (found at form locator 03a on the UB-04 claim form) or a medical record number (found at form locator 03b on the UB-04 claim form) for a traditional Medicare Part A Fee-for-Service patient who received services from July 1, 2020, through Sept. 30, 2020 (“from” or “through” dates on a paid claim).
 - A contact from the Provider Enrollment, Chain, and Ownership System (PECOS) will be sent an email with a validation code.
- For Short-term, the validation code was emailed to the QualityNet administrator(s) on file
- The validation code may be shared with others in the SNF as deemed appropriate and is updated for each release.

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
- 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)

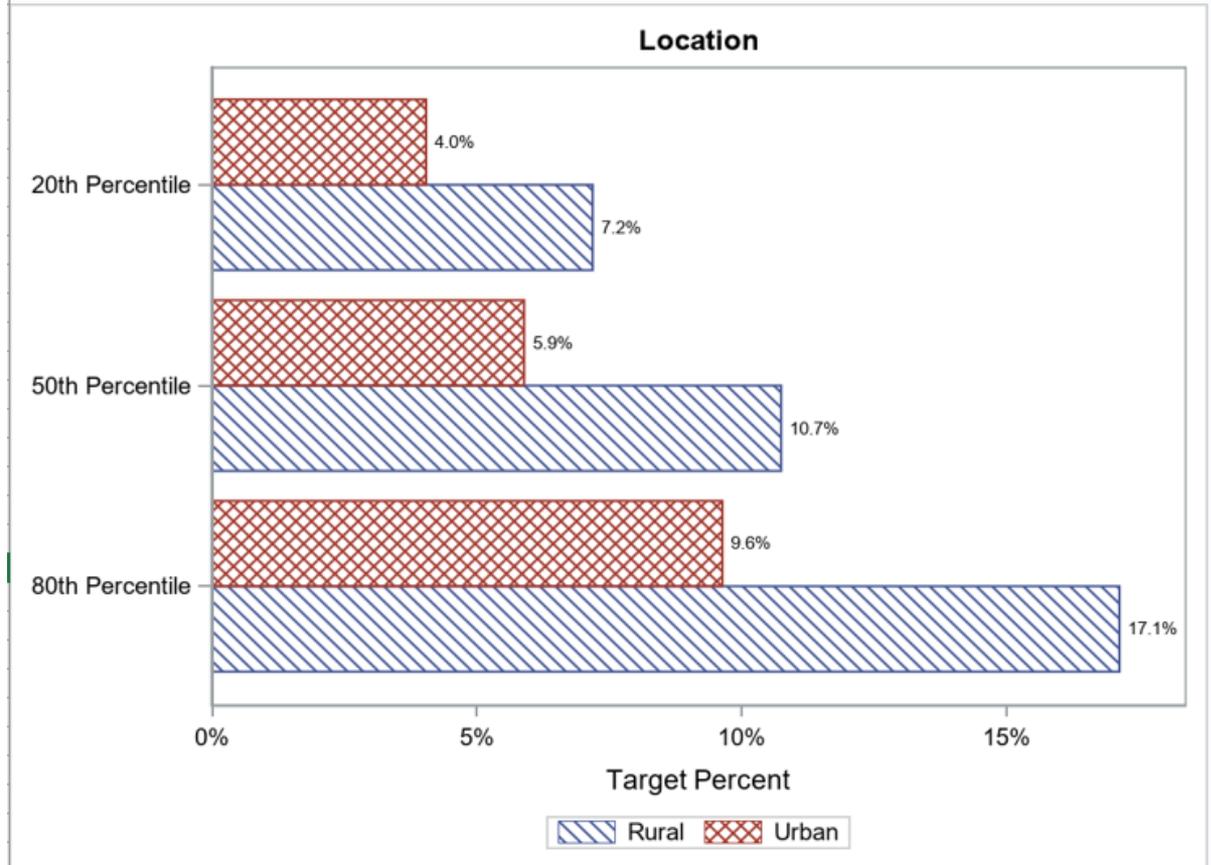
Peer Group Bar Charts

- 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

Example: 20-Day Episodes of Care

Target Area: 20-Day Episodes of Care

Demographic Group	20th Percentile	50th Percentile	80th Percentile
Rural	7.2%	10.7%	17.1%
Urban	4.0%	5.9%	9.6%



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

Data source: Based on episodes of care ending 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

- 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.

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.