CY 2025 Home Health Agency and Partial Hospitalization Program PEPPER Webinar Transcript

September 24, 2026 – 1:00 p.m.

Harjinder Gill

Good afternoon, everyone. Welcome to today's PEPPER webinar. We appreciate you taking the time to join us, and we are going to begin the presentation momentarily. Thanks.

Hi, good afternoon, everyone. If you're hearing an echo, please check to make sure you have the Zoom meeting open in a single browser or application.

Welcome. My name is Jinder, and on behalf of the PEPPER project team and our CMS colleagues, we would like to thank you for joining today's PEPPER webinar for the Calendar Year 2025 Home Health Agency (HHA) and Partial Hospitalization Program (PHP).

A couple of housekeeping items before we get started.

Please note that we are recording this webinar, and all attendees have been placed on mute.

Please also use the Q&A function to submit questions throughout the presentation. We will be answering those questions during the Q&A portion at the end.

For anyone who prefers captions or needs them for accessibility, Zoom offers a built-in closed captioning feature. To enable this feature, click on the More Options three dots in your meeting controls, select Show Captions, and the captions will appear at the bottom of your screen.

Again, if you're hearing an echo, please make sure that you have the Zoom meeting open in a single browser or application.

If you have any questions you would like to ask after this session is complete, you can always email your questions to CMS_CBRPEPPER@cms.hhs.gov.

During today's presentation, we will review PEPPER and how to use it, as well as how to access and download your PEPPER via the new portal. Then we will answer questions before closing.

To get started, I would like to introduce Hannah Klein, who will provide an overview of PEPPER.

Hannah Klein

Thank you, Jinder. Hello, and thank you for joining us today.

We'll start with a brief overview of what is a Program for Evaluating Payment Patterns Electronic Report, otherwise known as PEPPER.

A PEPPER is an electronic report that displays statistics on Medicare payments for discharges and services that are considered vulnerable to improper payments. PEPPER displays data for the areas of vulnerability, also known as target areas.

The PEPPERs for Home Health Agencies and Partial Hospitalization Programs are released on an annual basis and are generated for facilities that have at least 11 claims in a single year for at least one of the target areas included in the report.

PEPPER is designed to encourage providers to review data about their billing practices so that they can improve the accuracy of the claims that they submit to Medicare for reimbursement. PEPPER enables hospitals to compare their claims data statistics against other hospitals or facilities in their Medicare Administrative Contractor (MAC) jurisdiction, their state, and across the nation.

PEPPER is intended to be an educational resource for providers and can be helpful for strengthening compliance programs, preparing for or conducting internal audits and billing practices, or for improving documentation and patient care plans.

Please note, PEPPER does not identify improper Medicare payments. Rather, it's an educational tool for providers so that they can help identify payment patterns that indicate areas of improper risk so that they may be reviewed further.

Some updates. CMS paused the program back in 2023 and has since redeveloped the reports, launching a new PEPPER portal to ensure secure delivery of the reports.

For the most up to date metrics for your organization, please refer to the most recent report available, as this version will reflect the most up-to-date claims information.

Users may need to establish access to the PEPPER portal in order to download their report, and that access is available to individuals with Staff End User (SEU) business function available through the Identity and Access Management System (I&A).

You may need to reach out to your Authorized Official (AO) or Access Manager (AM) to request access for your PEPPER.

The target areas in PEPPER display information about hospital payment patterns for specific areas identified as potentially at risk for improper Medicare payments.

These target areas were identified through reviews by the Quality Improvement Organization and studies by the Office of the Inspector General, and these may change over time as we learn more about new areas at risk for improper payments and make refinements to reflect changes in the billing or coding requirements.

Generally, the target area numerator captures discharges that are identified as potentially problematic, while the denominator captures the larger reference group.

Hospitals or facilities can use the target area percentages and outlier status to pinpoint areas in need of further investigation or monitoring. These can also show how your facility will perform in comparison to others in the nation, MAC jurisdiction, and state. The PEPPER data can help identify areas to implement corrective actions.

Next, I'll turn it over to Teresa Le to walk through some examples of how to interpret your target area results.

Teresa Le

Thank you, Hannah.

To show an example of how a PEPPER target area is calculated, we will walk through one target area for the HHA PEPPER and then one example from the PHP PEPPER. On this slide, we have an example of the high comorbidity target area for the Home Health PEPPER. You can use this approach for interpreting your target area results for any PEPPER type.

The High Comorbidity target area assesses counts of HHA periods with two secondary diagnoses that qualify as a high comorbidity target, as indicated by the HIPPS (Health

Insurance Prospective Payment System) code, compared to the total number of HHA periods for the time period.

The outlier status for each target area is driven by the National 80th percentile and, if applicable, the National 20th percentile for each given time period. Let's say that for the High Comorbidity target area, the National 20th percentile for calendar year 2025 was 10.5%, and the National 80th percentile for calendar year 2025 was 23.5%. In this case, if your organization's target area percentage is below the National 20th percentile benchmark, then this is a low outlier, but if the target area percentage falls above the 20th percentile and below the 80th percentile, then there is not an outlier. If above the National 80th percentile, then your organization is a high outlier for this target area.

Hannah Klein

Teresa, I'm so sorry. I think we are missing a slide. I have been displaying the slide that comes after this one. I'm just going to pause really quickly and reshare. Apologies everyone.

OK, sorry. There we go. Now we've got the HHA.

Teresa Le

Let's demonstrate some examples. In our table, we have Facility 1 with 100 periods that met the numerator criteria and 1,040 periods that met the denominator criteria. As such, the target area percent for the hospital is 9.6%, so they are a low outlier. Facility 2 has 276 periods that met the numerator criteria and 899 that met the denominator criteria, so their target area percentage is 30.7%, which makes them a high outlier.

Facility 3 has 9 periods that meet the numerator criteria, so they will have outlier status “No Data” as they did not meet the minimum threshold for reporting.

Now we'll walk through a similar example from the PHP PEPPER. On this slide, we have an example of the Greater than 60 Days of Service target area from the Partial Hospitalization Program PEPPER. Again, you can use this approach for interpreting your target area results for any PEPPER type.

The Greater than 60 Days of Service target area looks at the count of episodes with greater than 60 days of service compared to the total number of episodes for the PHP. The outlier status for each target area is driven by the National 80th percentile for each given time period. For the Greater than 60 Days of Service target area, the National 80th percentile for calendar year 2025 was 74.4%. In this case, if your organization's target area percentage is below the National 80th percentile benchmark, then this is not an outlier. If above the 80th percentile, then your organization is a high outlier for this target area.

Let's demonstrate some examples. In our table, we have Facility 1 with 15 episodes that met the numerator criteria and 58 episodes that met the denominator criteria. As such, the target area percent for this hospital is 25.9%, so they are not an outlier. Facility 2 has 46 episodes that met the numerator criteria and 60 that met the denominator criteria, so their target area percentage is 76.6%, which makes them a high outlier.

Facility 3 has 9 episodes that meet the numerator criteria, so they will have outlier status “No Data” as they did not meet the minimum threshold for reporting.

Users will see percentiles displayed in a few different places throughout the PEPPER. On the Compare Targets report, on the Compare tab, Table 2 displays statistics for target areas with reportable data from the most recent fiscal year. The percentiles displayed next to the hospital target, discharge count, and percent indicate what percent of hospitals have a lower target area

percent compared to your facility. Think of this as how to know where your hospital compares to other hospitals in the nation, your MAC jurisdiction, and your state for the most recent year. In general, the percentile next to the hospital's target area percentage tells you what percentage of hospitals had a lower target area percentage for that comparison group. Said another way, it helps answer the question: how does your hospital compare to others for this target area and time period?

For this example, from the PHP PEPPER, the Group Therapy target area percent was 48.3%, which makes their national percentile 7.6, jurisdiction percentile 7.4, and state percentile 7.8. Since this is much lower than the 80th percentile, they are not an outlier.

For the No Individual Group Therapy target area, however, their percent was 100%, which falls at the 82nd percentile when compared to all PHPs in the nation, 89th percentile for the jurisdiction, and 85th for the state.

The Comparative Data Table on each target area tab works a little differently. It displays the national, jurisdiction, and state benchmark values, including the 80th percentile and, for coding focus target areas, the 20th percentile. These benchmarks are used to determine outlier status.

In this example from the Group Therapy target area from the PHP PEPPER, you can see that the national 80th percentile for the target area was 100% for calendar year 2025. So, any facilities with a target area percentage that falls below 100% will be considered not an outlier.

Now, I will turn it over to Dawn.

Dawn Strawser

Thanks, Teresa.

If a facility is a high outlier for the target area, one possible next step would be to audit the cases that meet the target area criteria. The purpose of this review would be to determine whether the documentation supports how the claim was billed.

If the review identifies documentation or coding patterns that may need improvement, the facility could implement an intervention, such as training your staff to reinforce the documentation requirements. After the intervention has been in place for several months, follow up with another review to determine whether the number of cases lacking appropriate supporting documentation has decreased.

We've talked a little bit about how to interpret your PEPPER results and how to use your PEPPER. In a little bit, we're going to walk through a sample PEPPER, but first, let's look at what you can find in your PEPPER.

For the Calendar Year 2025 reports, there were no significant changes to the target areas for either the Partial Hospitalization Program or the Home Health Agency PEPPERs. All PEPPERs will have the same first three tabs in the workbook. The Purpose tab, this introduces the PEPPER; the Definitions tab, this lists the definitions for each target area included in the report; and the Compare tab, which provides a table view of the data for the most recent calendar year.

After that, there's a separate tab for each of the target areas included in the report. Each report also includes some high-level information about the billing for the facility. For the Home Health Agencies, this includes the top clinical groups for the most recent clinical year, or for the most recent year. For the Partial Hospitalization Program, the last tab in the report displays information about the top diagnoses billed for the most recent year.

Now we're going to look at a sample PEPPER and its contents. We'll start with an example, the sample PEPPER for the Home Health Agencies.

As with previous PEPPERs releases, the PEPPER is delivered as an Excel workbook. It has the separate tabs for the report purpose, the target area definitions, the target area comparison report, and the results for each of the individual target areas.

Going back to the Purpose tab, you'll see that this is a summary of the purpose and the scope of the PEPPER. It also displays the CMS Certification Number, or the CCN. You can see that in row 11. It also includes the MAC jurisdiction, which is down below in the in the purpose, and it lists the date range included in the report. So, for this release, the PEPPER includes data from calendar year 2023 through calendar year 2025.

Moving over to the Definitions tab, this tab provides the description, including the numerator and denominator information for each of the target areas. For more detailed information about the target areas and how they're calculated, please see the User Guide on the PEPPER website.

Now we'll move over to the Compare Reports Target tab. The Compare Targets Report displays all the target areas for which your facility has at least 11 periods or episodes for the numerator in the most recent calendar year. Again, for this report, that is 2025.

If a facility has more than 11 periods that meet the target area numerator definition during the time period, then this report will display the numerator counts or amounts, the target area percent or rate, the percentiles when compared to the nation, the jurisdiction, and the state, as well as the sum of payments for that target area. If a facility is a high outlier for the target area, then the percent will be indicated in a red bold font, while non-outliers are displayed in a black font. If low outliers are reported for that target area, then the target area percent will be displayed in a green italic font.

Now we'll look at one of the target areas, moving over to the Low Comorbidity tab for Home Health Agencies. On each of the target area tabs, users will find a table with the facility statistics and a comparative data table showing national, jurisdiction, and state comparison values. These tables allow users to compare their facility’s target area percentage with the relevant benchmark groups. Below the comparative data table, the graph displays the facility’s statistics alongside the national, jurisdiction, and state percentiles. For target areas where only high outliers are calculated, the graph displays the 80th percentile benchmarks.

The target area tabs also include the suggested interventions for high, and where applicable, low outliers.

Now we'll look at the last tab in the Home Health Agency PEPPER. The Home Health Agency PEPPER also includes the Top Clinical Groups tab at the end of the report. This tab shows the top clinical groups, as identified by the 2nd physician in the HIPPS code, billed by the facility for the most recent calendar year; then it's ranked by the count of periods. If there are no clinical groups with at least 11 discharges during that most recent year, then this report is going to display no data.

For each clinical group that's displayed, the table shows the count of periods, the proportion of periods for that clinical group compared with the count of all periods, the total number of visits for the clinical group, and the average number of visits for the clinical group. The table also summarizes the totals for all the clinical groups.

Below the facility-level information, the report will also display the data for all Home Health Agencies in their MAC jurisdiction.

We're going to move over and look at one of the PHP PEPPERs and look at the last tab, which is the Top Diagnosis tab. So, the PHP PEPPER follows the same format as the Home Health Agency PEPPER, with the main differences being that in the final tab in the report for the PHP PEPPER, the Top Diagnosis report displays information on the top 10 diagnoses categorized by the Clinical Classification Software Refined (CCSR) for that most recent calendar year. And again, that's 2025 for this report. Each PHP episode is assigned a CCSR diagnosis category, based upon that principal ICD-10 diagnosis code from the first claim in the episode.

For each of those CCSR diagnosis categories, the table displays the total count of episodes, the proportion of episodes to the total count of episodes, and the PHP episode average length of stay. So, in this report, you can see that there are only two diagnosis categories that met that 11 and above threshold.

Below the facility level information, the report also displays that same data for all PHPs in the nation. And then there, you can see that there are 10 listed there because the categories each had above that 11 diagnosis per category.

I'll turn it back over to Hannah to review the website portal.

Hannah Klein

Thanks, Dawn.

Now we'll walk through the process for accessing and downloading PEPPERs.

You'll begin by visiting the CMS PEPPER web page. In addition to accessing the PEPPER Portal from this site, you can also find helpful resources such as FAQs, the latest User Guide, and information about how to contact our Help Desk if you have further issues or questions. In addition, a recording of today's presentation and a copy of the slides will be posted to the PEPPER Resources page on the website as a reference for users.

You'll begin by clicking on the blue button for the PEPPER Portal to open the login page. This will take you to the login page. To access the new portal, you will need to have an account with the CMS Identity and Access Management System (I&A) and be registered as a Staff End User, Authorized Official, or Access Manager for your organization with the PEPPER business function. This is the same login information that you would use for the CMS NPPES and PECOS systems. If you need assistance with your I&A credentials, please contact the External User Services (EUS) Help Desk.

Once you have logged into the PEPPER Portal, you will see a drop-down box to select your organization's CMS Certification Number, or CCN, formerly known as OSCAR. If you do not see your organization's CCN listed, please check with your organization's Authorized Official, Access Manager, or the EUS Help Desk to verify that you are listed as either Staff End User, Authorized Official, or Access Manager for that CCN. If you do have those credentials and the PEPPER business function, and you still do not see your organization listed, then that means there is no PEPPER available for your organization at this time.

Once you have selected the CCN for which you would like to view and download your PEPPER, you will see the available file listed. To download, click on the file name.

If you have questions about how a target area was calculated or questions about the content in your PEPPER, please submit questions to the Help Desk using the form, which you can find by selecting Help Desk from the navigation bar at the top of the page.

Before we wrap up, we wanted to walk through another example of how you can interpret the data in your PEPPER.

Here, we have an example from the Partial Hospitalization Program PEPPER. In this report, we have Table 3, which displays the hospital statistics for the Group Therapy target area for 2025. The PHP had 28 episodes that met the numerator criteria for this target area. In other words, they had 28 discharges where only group therapy was billed. This was out of their 58 episodes billed for the year.

For the Group Therapy target area, their target area percent was 48.3. In comparison to the National 80th percentile, displayed in Table 4 in the report, which was 100% for 2025, their target area percentage was less than the National 80th percentile. So, they are considered not an outlier for this target area.

Finally, here is an example from the Home Health Agency PEPPER, the Average Number of Periods target area. For this target area, the results are reported as a rate comparing the number of periods paid to the Home Health Agency against the number of unique beneficiaries that were served during this time. In Table 13, we see that this HHA billed 899 periods for 2025 for 212 unique beneficiaries. This gives them a rate of 4.24 periods billed, on average, per beneficiary.

In Table 14, we see that the National 80th percentile for this target area was 4.91 for 2025. Since this HHA's target area rate was 4.24, which was less than 4.91, they are considered not an outlier for the Average Number of Periods target area.

That brings us to the end of our presentation, and we'll open it up for questions.

Harjinder Gill

Thanks, Hannah.

Dawn and Teresa, we do have some time. So, if there are questions, please do post those in the Q&A. We've been trying to answer a lot of the questions as the presentation has been going on. This presentation will be available on the PEPPER website.

Dena Gregory

We have a few questions that have come in. One of them is for HHA on Functional Impairment Medium: Which Oasis is this pulling from, SOC or DC Oasis?

I did post an answer, but I think I may have messed that up. So, I just wanted to confirm with the team. So, this is for HHA on functional impairment medium: Which Oasis is this pulling from SoC or DC Oasis?

Hannah Klein

For the Functional Impairment Medium target area, this is based on the categorization that's included in the HIPPS code. So, we can take this back and confirm, but it's coming from the HIPPS code in the claim.

Dena Gregory

OK, thank you.

Hannah, can you describe more clearly the non-LUPA payments measure?

It says the 2025 80th percentile of 78.7%, but the average LUPA rate nationally is approximately 8%. So, non-LUPA payments from that perspective would be around 92%, meaning 92% are paid as an episode. Can you help me?

Hannah Klein

Yes, the National 80th percentiles that are reported in the PEPPER represent the target area percentage that exceeds the rates of 80% of providers nationwide.

For the non-LUPA payments target area, I can pull up the report so you can see it directly. One second.

If you go to Definitions, we're looking at the count of periods that did not have a LUPA payment versus the total count of paid periods.

If we go to this target area tab, the National 80th percentile is 78.6%. What that means is that 80% of providers nationwide had a Non-LUPA Payments target area percentage that was at or below 78.6%.

It's not a direct reflection of the average number of LUPA payments. You wouldn't be able to reverse the Non-LUPA payments target area percentage to calculate the average number of LUPA payments.

Dena Gregory

Another question: Is a PEPPER for all medical services or just PHP and Home Health?

Dawn Strawser

Let me answer that. It's for all facilities, well, most facility types.

We have PEPPERs for the Short-Term Acute Care Hospitals, the Long-Term Acute Care Hospitals, Critical Access Hospitals, Skilled Nursing Facilities, Inpatient Psychiatric Facilities, Inpatient Rehab Facilities, and the Home Health Agencies and Partial Hospitalization Program.

I think I got them all off the top of my head, but again, it's mostly for facility types, and as the process goes on and PEPPERs continue, maybe more facility types will be added in the future.

Dena Gregory

Thank you, Dawn.

Another question: How often are these reports generated?

The PHP and HHA reports will be generated on an annual basis. So, this is the first in the relaunch of the PEPPERs, and the next one will be published in 2027. We will be posting that schedule once it's made available in in the new year.

Another question: Are IQIES and PEPPER similar in data collection?

Dawn Strawser

We can’t answer regarding IQIES data collection, but for the PEPPERs, it is looking at Medicare fee-for-service claims for that time period. If you have more questions about that answer, please submit a Help Desk question, and we can look at that in more detail.

Dena Gregory

Another question: Can you define what an outlier is and explain the difference between high and low outliers, and why outliers matter?

Hannah Klein

Yes. Depending on the target area, some target areas look at practices related to the coding of the claim, others look at practices related to admission necessity for the case. There are some target areas where, if you are a low outlier, your rate for that target area is much lower than that of your peers nationwide. That could indicate that your billing practices are missing something. So, it could be good to look and see if you're missing cases that maybe should be coded differently.

For the admission necessity target areas, we're looking only at high outliers. So, cases where you're billing for particular services at a more frequent rate than your peers. So that would indicate potentially that not every admission may be necessary and that there may be other ways the case could be handled or coded. It's going to be dependent on your patient population and dependent on the kind of the target area that you're looking at.

It's just intended to flag where you fall in comparison to the other facilities nationwide. So, if you're above, you're considered a high outlier, and that means your rate is higher than 80% of facilities that are receiving a PEPPER. If you're a low outlier, then your rate is lower than the 20th percentile. So, it's just flagging that as an area for your facility to look into.

Dawn Strawser

I can answer the question that was submitted about the target area for PHP that specifically looks at admissions that did not include individual psychotherapy.

Yes, the purpose of that target area is to include the patients that did not have any individual psychotherapy during their program. And this is looking at individual psychotherapy that should be included as part of their comprehensive plan for their treatment. So that's why that target area was designed to identify those individuals that didn't receive any individual psychotherapy during their treatment.

Dena Gregory

OK, next question: Do outliers trigger audits?

Hannah Klein

PEPPERs are designed to provide an educational tool for users. The outlier status that's reflected in PEPPER is not designed to trigger an audit. It's just designed to give users and providers more information about their billing practices so they can take an internal look. So, while it does not trigger an audit, you can take that data and use it to inform maybe an internal audit or secondary review of your billing based off of your outlier status.

Dawn Strawser

Another question submitted: We have no data listed under low visits, is this just us?

No, that would not be just you. That's for any agency that submitted less than 11 claims for that particular target area would have no data listed. So, no, it would not be just your agency.

Dena Gregory

We have another question: You had mentioned we could follow up with another review after seeing our PEPPER and implementing changes after so many months. Can you clarify what a second review would look like?

Dawn Strawser

I would be pulling a sample number of cases that have been submitted after that time period that you would have allowed for any changes to be made in your billing, and then looking at those specific areas that you looked at prior, to see if there are changes being made to the way things are coded based on that education.

You want to allow enough time in between to look at cases that the coders would have received education on, what is appropriate, and just confirm that the education was successful in how the coding had been done.

Dena Gregory

I think we have time for one or two more questions.

Any publicly reported data where audits were triggered completely based solely on PEPPER results?

This may be a repeat question, but I'll turn it over to you, Dawn, to answer.

Dawn Strawser

No, the PEPPER reports do not trigger audits. I think we talked about that, PEPPER is an educational report for your facilities to review and then put anything into place that needs to be done in order to make sure your cases are being submitted, everything's being coded correctly, and submitted correctly. So, again, this is just for educational purposes.

Dena Gregory

One last question: Does Partial Hospitalization also include intensive outpatient services if they are at the same location?

Hannah Klein

I'd have to look at the filtering criteria that we use for that. I don't have it right in front of me, Dena, sorry. We can follow up on that one offline.

Dena Gregory

Yes, we can follow-up on that. I know there are a few more questions included in the questions and answers. We will be posting questions and answers following this webinar. So, if your question was not answered today, we can follow up individually, and we can also include those in the posted questions and answers.

If you do have a question remaining and you'd like a more immediate response, you can email us at cms_cbrpepper@cms.hhs.gov.

Harjinder Gill

Thanks, Dena, for helping with those questions, and thanks again Hannah, Dawn, and Teresa. Before we close, we have three quick calls to action.

First, please do complete the webinar feedback survey.

Second, if you need access to your organization's PEPPER, register for the Staff End User PEPPER business function in the I&A Management System, or work with your organization's Authorizing Official or Access Manager.

And third, once you do have access, please download the PEPPERs and use them to support your internal monitoring and review activities.

This does conclude today's webinar. As Dena mentioned, we will be posting the slides, the webinar transcript, and the Q&As on the PEPPER website.

Thank you for joining us and for the important work that you do every day.

Thank you so much.