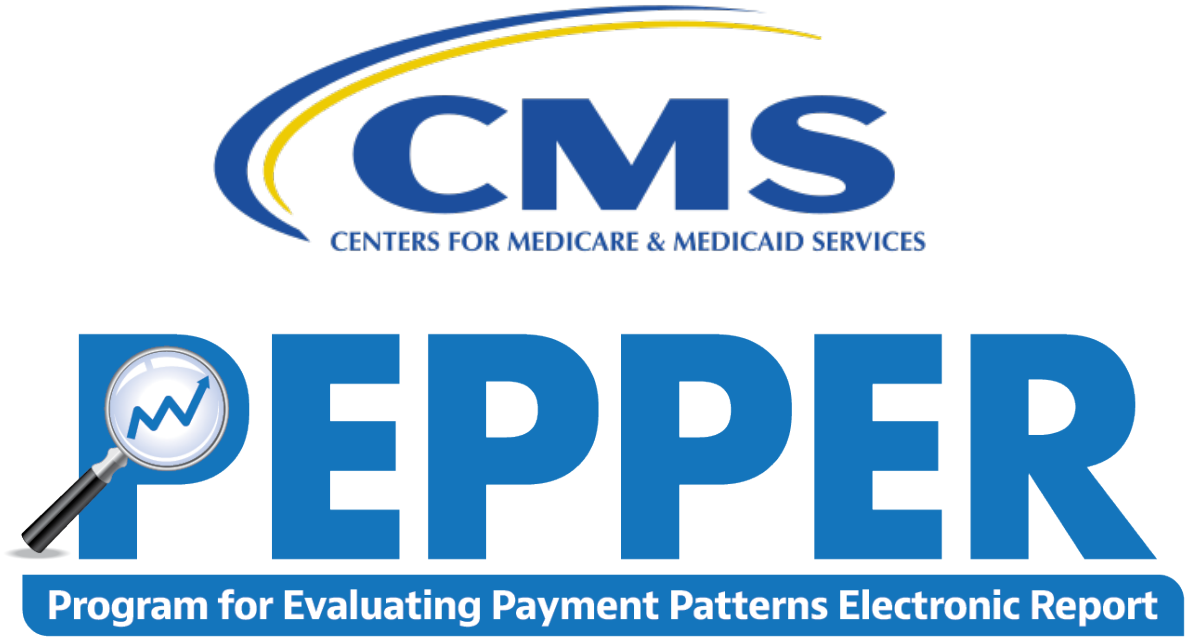

PEPPER Webinar

September 24, 2026

Thank you for joining today's presentation. We will begin momentarily.

Welcome to Today's PEPPER Webinar

Home Health Agency (HHA)

Partial Hospitalization Program (PHP)

We will begin momentarily.

All participants will be muted for the presentation. To submit a question, please enter your question in the Q&A box in Zoom.

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Webinar Agenda

- **Updates**: ***PEPPER Overview & Announcements*** **(10 minutes)**
- **Review**: ***Understanding Your PEPPER Report*** **(25 minutes)**
- **Access**: ***Portal Access & Navigation*** **(5 minutes)**
- **Discussion**: ***Questions & Answers*** **(10 minutes)**
- **Next Steps**: ***Closing & Resources*** **(5 minutes)**

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PEPPER Overview

What Is a PEPPER?

- A Program for Evaluating Payment Patterns Electronic Report (PEPPER) is an electronic report that provides facility-specific Medicare statistics for discharges and services vulnerable to improper payments.
- Each PEPPER includes statistics for the most recent calendar years for each area at risk for improper payments ("target areas").
- PEPPERs for Home Health Agency (HHA) and Partial Hospitalization Program (PHP) are released annually.
- PEPPER is generated only for hospitals and facilities with sufficient data (more than 11 periods or episodes) for the target areas included in the report.

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PEPPER Purpose

How to Use Your PEPPER?

PEPPER encourages providers to review data about their billing practices to help ensure they submit accurate claims for payment.

PEPPER compares your facility's claims-data statistics with those of other hospitals/facilities in your Medicare Administrative Contractor (MAC) jurisdiction, your state, and the nation.

PEPPER educates providers about their payment patterns and potential risk for improper payments.

PEPPER can help strengthen compliance programs, prepare for audits, and improve documentation and care planning.

Note: **PEPPER does not identify improper Medicare payments**.

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PEPPER Updates

What Changed?

- PEPPERs have been redeveloped. Beginning with the CY 2025 PEPPER, users may notice slight differences in their target area performance compared with historical PEPPERs.
- This release marks the first HHA and PHP PEPPER available through the new PEPPER Portal. The Portal is accessible to Authorized Officials (AOs), Access Managers (AMs), and users with the Staff End User (SEU) business function in the Identity & Access Management (I&A) System.
- Staff End Users should contact their Authorized Official or Access Manager to request access.

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PEPPER Target Areas

- PEPPERs display information on facility payment patterns for specific areas identified as potentially at risk for improper Medicare payments, referred to as ***Target Areas***.
- These Target Areas were originally identified through Quality Improvement Organization reviews and studies conducted by the Office of Inspector General.
- Target areas may change over time as MACs identify new risks and as policy changes are implemented.

Numerator

Discharges identified as potentially problematic

Denominator

The larger reference group that contains the numerator

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How to Use PEPPER

While PEPPER does not identify the presence of payment errors, facilities can use PEPPER data to:

Review

Pinpoint areas for auditing or monitoring

Compare

Assess performance against national, MAC jurisdiction, and state peers

Act

Use findings to guide education, documentation, and monitoring

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Example HHA Target Area Review: High Comorbidity

Benchmark	Target Percentage	If Target Area Percentage is Below?	If Target Area Percentage is Above?
National 20th Percentile	10.5%	*Low outlier*	Not an outlier
National 80th Percentile	23.5%	Not an outlier	**High outlier**

Facility	Target Area Discharge Count (Numerator)	Denominator Discharge Count (Denominator)	Target Area Percentage	Outlier Status
Facility 1	100	1,040	**9.6%**	*Low outlier*
Facility 2	276	899	**30.7%**	**High outlier**
Facility 3	9	80	*N/A – fewer than 11 periods in numerator*	No data

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Example PHP Target Area Review: 60+ Days of Service (GE60 DOS)

Benchmark	Target Percentage	If Target Area Percentage is Below?	If Target Area Percentage is Above?
National 80th Percentile	74.4%	Not an outlier	**High outlier**

Facility	Target Area Discharge Count (Numerator)	Denominator Discharge Count (Denominator)	Target Area Percentage	Outlier Status
Facility 1	15	58	**25.9%**	Not an outlier
Facility 2	46	60	**76.6%**	**High outlier**
Facility 3	9	40	*N/A – fewer than 11 periods in numerator*	No data

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Understanding the Compare Targets Report

Compare Targets Report

- Shows Target Area information for the most recent calendar year.
- Includes your facility's percentile rankings.
- Think of it as: *How does your facility compare to others this year?*

Table 2 Compare Targets Report

Target	Numerator Count	Percent	PHP National %ile	PHP Jurisdict. %ile	PHP State %ile	Sum of Payments
Group Therapy	28	48.3%	7.6	7.4	7.8	$150,845
No Individual Psychotherapy	58	**100%**	82.5	89.5	85.6	$345,755
60+ Days of Service	15	25.9%	16.9	n/a	n/a	$185,465

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Understanding the Comparative Data Table

Target Area Comparative Data Table

- Shows National, Jurisdiction, and State information for the respective Target Area.
- If your facility's target area percentage is greater than the National 80th percentile for that target area, you are considered a high outlier.
- Think of it as: *How do 80% of facilities score for this target area?*

Table 4 Comparative Data for Group Therapy

Time Period	National 80th Percentile	Jurisdiction 80th Percentile	State 80th Percentile	Target Area Rate
CY 2023	100%	#N/A	#N/A	#N/A
CY 2024	100%	#N/A	#N/A	46.3%
CY 2025	100%	100%	100%	48.3%

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Example Next Steps For a High Outlier

Target Area Has a High Outlier Status

Audit Cases	Implement Intervention	Follow Up
Review cases that meet the numerator criteria for potential billing anomalies.	For more information, review the suggested interventions for high outliers in the User Guide.	Track progress in this area following the intervention.

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PEPPER Content

Home Health Agency (HHA)

- Purpose
- Definitions
- Compare
- Low Comorbidity
- High Comorbidity
- Functional Impairment Medium
- Functional Impairment High
- Average Case Mix
- Average Number of Periods
- Periods with Low Visits
- Non-LUPA Payments
- Outlier Payments
- Admission Source
- Top Clinical Groups

Partial Hospitalization Program (PHP)

- Purpose
- Definitions
- Compare
- Group Tx
- No Individual Psychotx
- GE60 DOS
- 30-Day Readm
- Top Diagnoses

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Sample PEPPER Review

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PEPPER
Program for Evaluating Payment Patterns Electronic Report

Website Portal Overview

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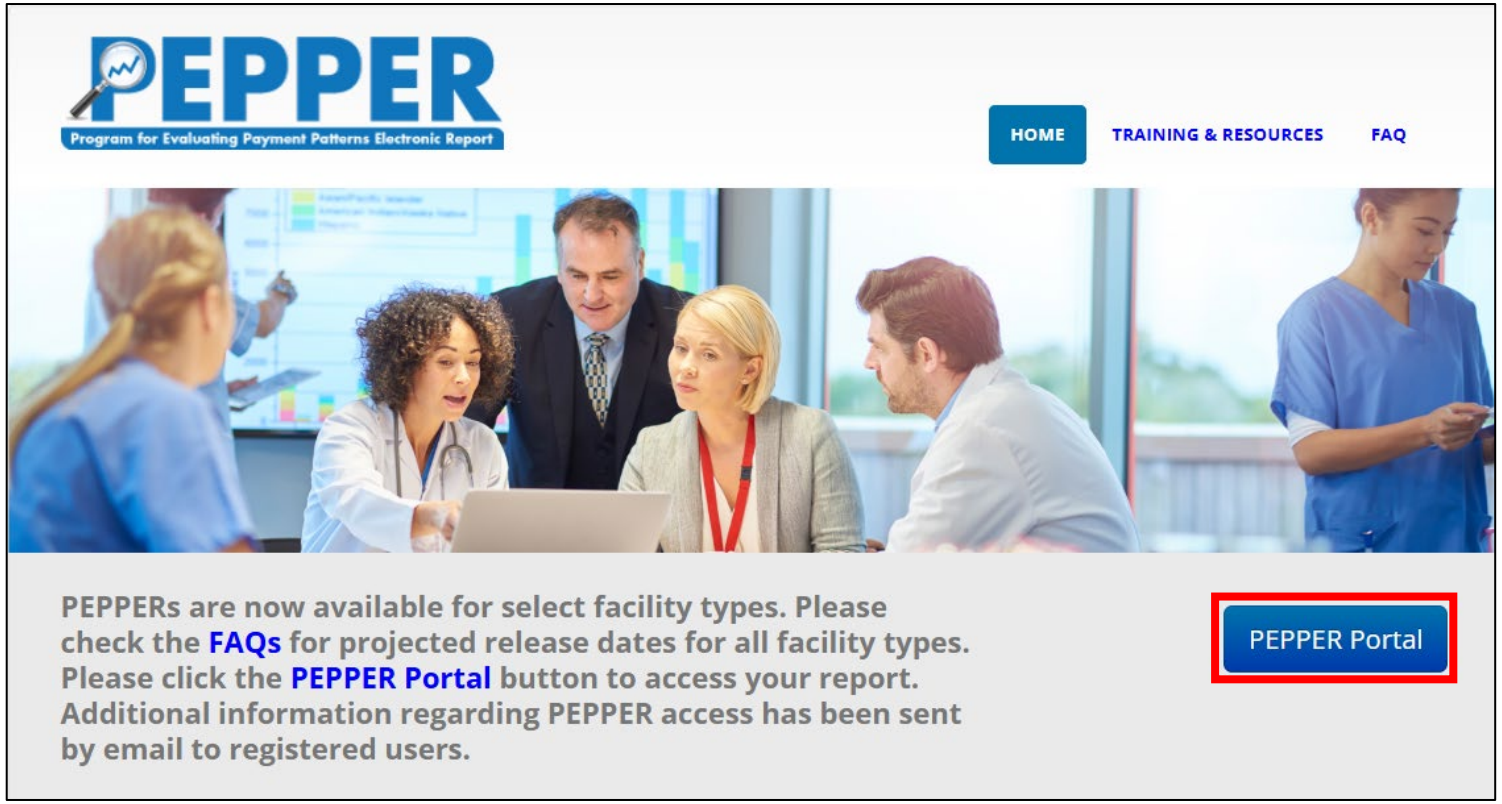
PEPPER
Program for Evaluating Payment Patterns Electronic Report

PEPPER Website

Visit the CMS PEPPER website for more information, including links to the following tools:

- **FAQs**
- **User Guide**
- **PEPPER Help Desk**



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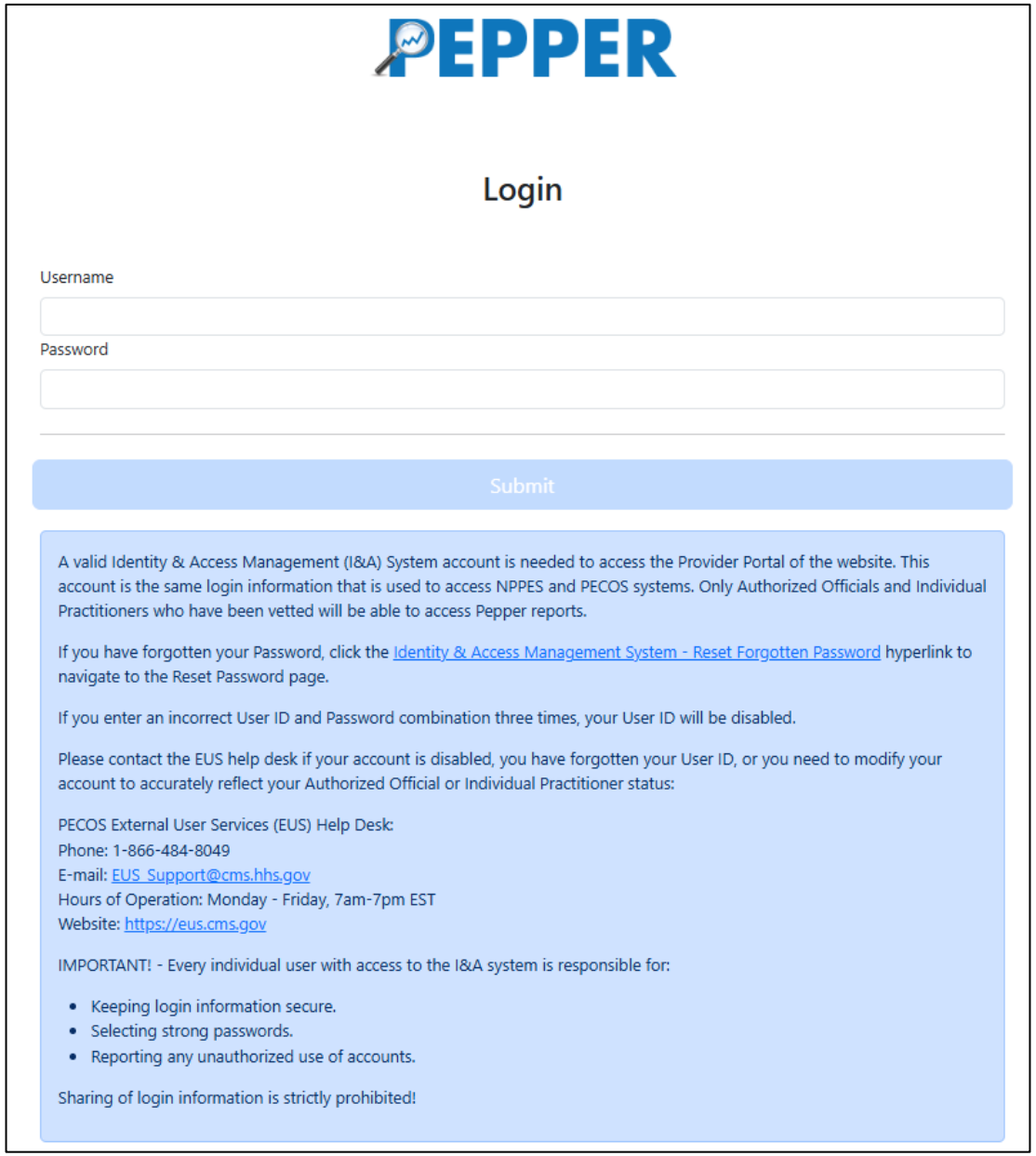
PEPPER Login Page



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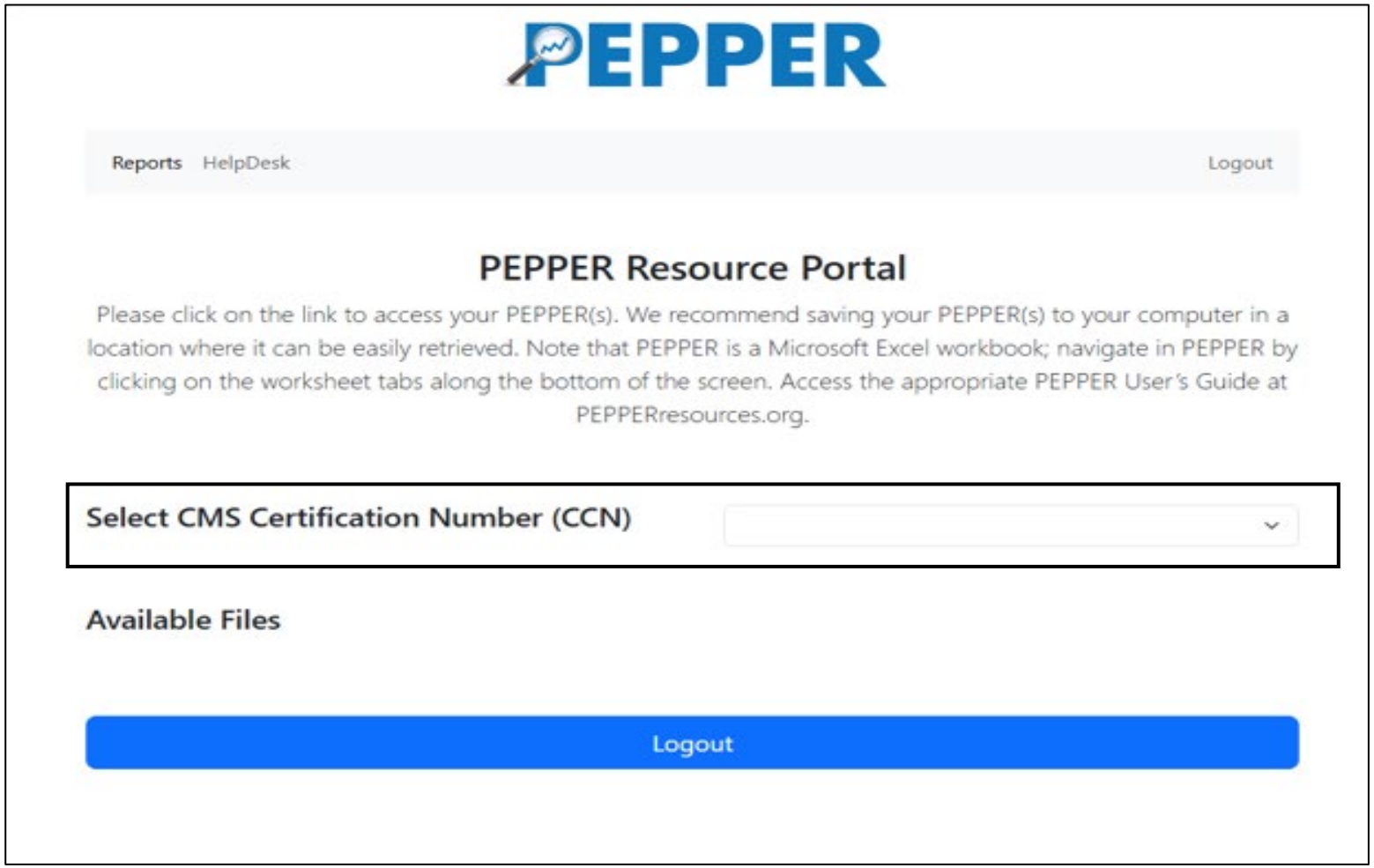
Accessing Your PEPPER: Select Your Organization



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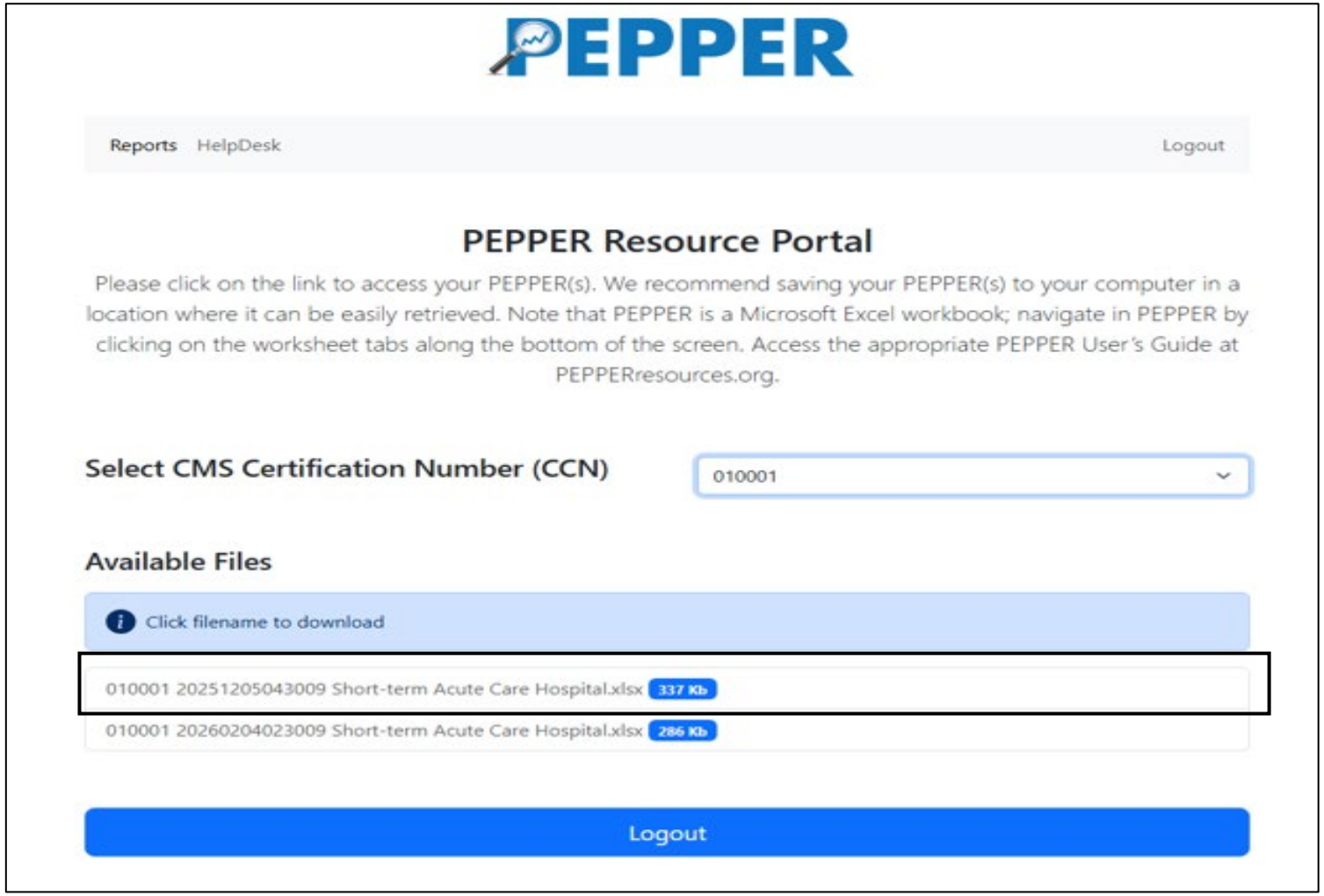
View and Download Your Available PEPPER



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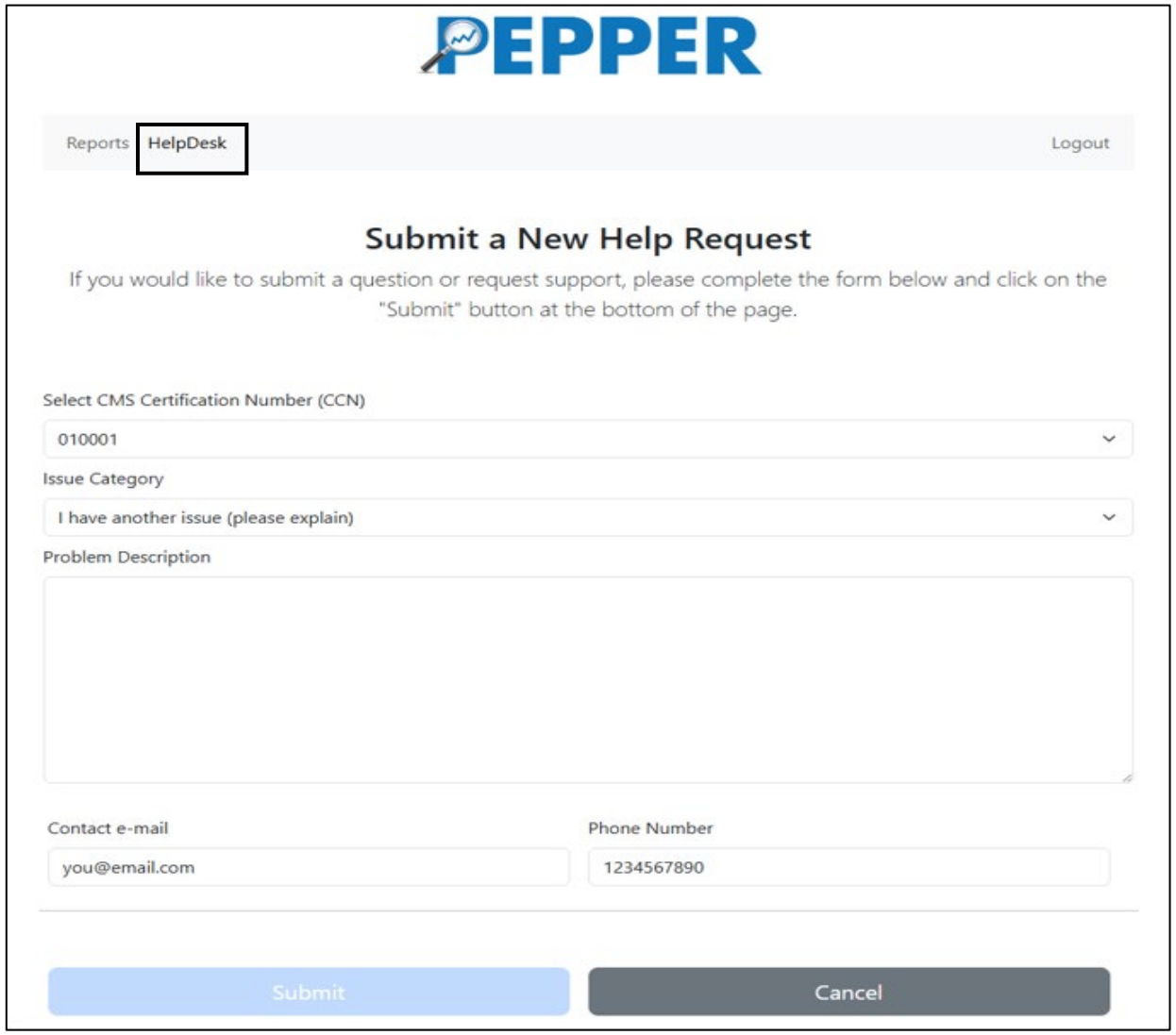
PEPPER Resources Portal Help Desk Request Form



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Interpreting PEPPER Target Area Results

Demonstration: Interpreting PHP PEPPER Results

- Table 3 shows the Group Therapy Target Area results for one PHP.
- In CY 2025, only Group Therapy was billed for 28 of the PHP's 58 total beneficiary episodes.
- As a result, the PHP's Target Area percentage for CY 2025 is 48.3%.
- The National 80th percentile for CY 2025 is 100.0%, as shown in Table 4.
- Because the PHP's Target Area percentage is less than the National 80th percentile, the PHP is not an outlier for this Target Area.

Table 3 PHP Statistics for Group Therapy

Time Period	Outlier Status	Target Area Percent	Target Count	Denominator Count	Target Area Average Length of Stay (ALOS)	Denominator Average Length of Stay (ALOS)	Target Average Medicare Payment	Target Sum Medicare Payment
CY 2025	Not an outlier	48.3%	28	58	41.5	38.9	$8,528	$150,845

Table 4 Comparative Data for Group Therapy

Time Period	National 80th Percentile	Jurisdiction 80th Percentile	State 80th Percentile	Target Area Percent
CY 2025	100.0%	100.0%	100.0%	48.3%

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Demonstration: Interpreting HHA PEPPER Results

- Table 13 shows the Average Number of Periods Target Area results for one HHA.
- In CY 2025, the HHA billed 899 periods for 212 unique beneficiaries.
- The HHA's Target Area rate for CY 2025 is 4.24, meaning the HHA averaged 4.24 periods per beneficiary.
- The National 80th percentile for CY 2025 is 4.91, as shown in Table 14.
- Because the HHA's Target Area rate is less than the National 80th percentile, the HHA is not an outlier for this Target Area.

Table 13 HHA Statistics for Average Number of Periods

Time Period	Outlier Status	Target Area Rate	Target Count	Denominator Count	Target Area Average Length of Stay (ALOS)	Target (Numerator) Average Payment	Target (Numerator) Sum of Payments
CY 2025	Not an outlier	4.24	899	212	26.2	$2,130	$1,622,784

Table 14 Comparative Data for Average Number of Periods

Time Period	National 80th Percentile	Jurisdiction 80th Percentile	State 80th Percentile	Target Area Rate
CY 2025	4.91	5.28	5.43	4.24

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Questions & Answers

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Call to Action

1. Complete the Webinar Feedback Survey
2. Register for the Staff End User (SEU) PEPPER Business Function
3. Download and Use Your PEPPER

This concludes our presentation. Thank you for joining us today!

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Webinar Feedback Survey

1. Overall Satisfaction*:* How satisfied were you with this webinar?
   - Very satisfied
   - Satisfied
   - Neutral
   - Dissatisfied
   - Very dissatisfied

2. Usefulness: This webinar provided information that was useful to me.
   - Strongly agree
   - Agree
   - Neutral
   - Disagree
   - Strongly disagree

3. Improvement (Optional): What is one improvement you would like to see in future webinars? (Open-ended response)

4. What topic would you be interested in seeing presented in future webinars?

Disclaimer: This survey is voluntary and anonymous. The information collected will be used solely to assess participant satisfaction and improve future webinars. No personally identifiable information is requested or collected.

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