



Program for Evaluating Payment Patterns Electronic Report

Short-Term (ST) Acute Care Hospital PEPPER Q4 FY 2025 Release Webinar

April 7, 2026

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

ST Acute Care Hospital PEPPER Q4 FY 2025 Release Webinar Agenda

- Welcome to today's presentation on the Q4 FY 2025 Short-Term (ST) Acute Care Hospital PEPPER.
- 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.

1

PEPPER Overview & Updates

10 Minutes

2

ST PEPPER Review

20 Minutes

3

Portal Access

10 Minutes

4

Questions and Answers

10 Minutes

5

Closing Remarks

5 Minutes

PEPPER Overview

What Is a PEPPER?

- A Program for Evaluating Payment Patterns Electronic Report (PEPPER) is an electronic report that delivers facility-specific Medicare statistics for discharges and services vulnerable to improper payments.
- Each PEPPER contains statistics for the most recent federal fiscal quarters for each area at risk for improper payments (“target areas”).
 - Q1: October – December
 - Q2: January – March
 - Q3: April – June
 - Q4: July – September
- The ST PEPPER released on March 18, 2026, provides data for Q3 FY 2023 through Q4 FY 2025.
- The ST PEPPER is only generated for hospitals with enough data (more than 11 claims) for the target areas included in the report.

PEPPER Purpose

How Can PEPPER Be Used?

- PEPPER encourages providers to review data about their billing practices to help ensure they submit accurate claims for payment.
- PEPPER provides a comparison of your hospital's claims data statistics against other hospitals in your Medicare Administrative Contractor (MAC) jurisdiction, state, and the nation.
- Note, PEPPER does not identify improper Medicare payments.
- PEPPER provides education for providers on their payment patterns and their risk for improper payments.

PEPPER Updates

What Has Changed?

- PEPPERS have been redeveloped, so beginning with the Q3 FY 2025 ST PEPPER, users may notice slight differences in their target area performance when compared with historical PEPPERS.
- The Q4 FY 2025 ST PEPPER builds upon the Q3 FY 2025 PEPPER by adding one additional quarter of data. Users should refer to the Q4 FY 2025 report for the most up-to-date information.
- The Q4 FY 2025 ST PEPPER reflects an update to the Single CC or MCC and Severe Malnutrition target area calculations.
- This marks the second release using the new portal, which is now accessible to users with the Staff End Users (SEU) business function in the Identity & Access Management (I&A) System.
- Staff End Users should reach out to their Authorized Official (AO) or Access Manager (AM) to request access.

PEPPER Target Areas

- PEPPERS display information on hospital payment patterns for certain areas identified as potentially at risk for improper Medicare payments, known as **Target Areas**.
- These target areas were identified by the Quality Improvement Organization reviews and Office of Inspector General studies.
- Target areas may change over time as MACs identify new risks, policy changes are implemented, etc.
- Target areas are constructed as a ratio.

Numerator

- Discharges identified as potentially problematic

Denominator

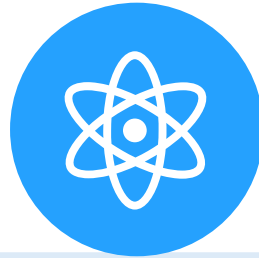
- The larger reference group that contains the numerator

How to Use PEPPER

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



Pinpoint specific areas in need of auditing or monitoring



Identify potential DRG under-coding or over-coding problems



Identify target areas where length of stay is increasing

ST PEPPER Target Areas – Coding Focused

Coding Focused

1. Stroke
Intracranial
Hemorrhage
(ICH)

2. Respiratory
Infections

3. Simple
Pneumonia

4. Septicemia

5. Unrelated OR
Procedure

6. Medical CC or
MCC

7. Surgical CC
or MCC

8. Single CC or
MCC

9. Severe
Malnutrition

10. Ventilator
Support

ST PEPPER Target Areas – Admission Necessity Focused

Admission Necessity Focused

11. Percutaneous Cardiovascular Procedures

12. Total Knee Replacement

13. Syncope

14. Other Circulatory System Diagnoses

15. Other Digestive System Diagnoses

16. Medical Back

17. Spinal Fusion

18. 3-Day SNF

19. 30-Day Readmissions to the Same or Elsewhere

20. 30-Day Readmissions to the Same Hospital

21. 2-Day Stay Medical DRGs

22. 2-Day Stay Surgical DRGs

23. 1-Day Stay Medical DRGs

24. 1-Day Stay Surgical DRGs

Example Target Area Calculation: Single CC/MCC

Target Area	Target Area Definition
Single CC/MCC	<p>Numerator: Count of discharges for DRGs assigned based on a CC or MCC when only 1 CC or MCC is coded on the claim.</p> <p>Exclude DRGs that can be assigned based on a CC, an MCC, or a procedure.</p> <p>Denominator: Count of discharges for DRGs assigned based on a CC or MCC.</p> <p>Exclude DRGs that can be assigned based on a CC, an MCC, or a procedure.</p>

Example 1: Claim includes DRG **637** (Diabetes with MCC) with a primary diagnosis of E08.11 (Diabetes mellitus due to underlying condition with ketoacidosis with coma), along with **1 MCC:** I40.9 (Acute myocarditis, unspecified) and **2 CCs:** F03.A11 (Unspecified dementia, mild, with agitation) and I20.0 (Unstable angina).

→ Applies to the denominator only

Example 2: Claim includes DRG **064** (Intracranial Hemorrhage of Cerebral Infraction with MCC) with a primary diagnosis of I63.9 (Cerebral infarction, unspecified) and **1 MCC** D59.31 (Infection-associated hemolytic-uremic syndrome).

→ Applies to both the numerator and denominator because only 1 MCC or CC is coded on the claim

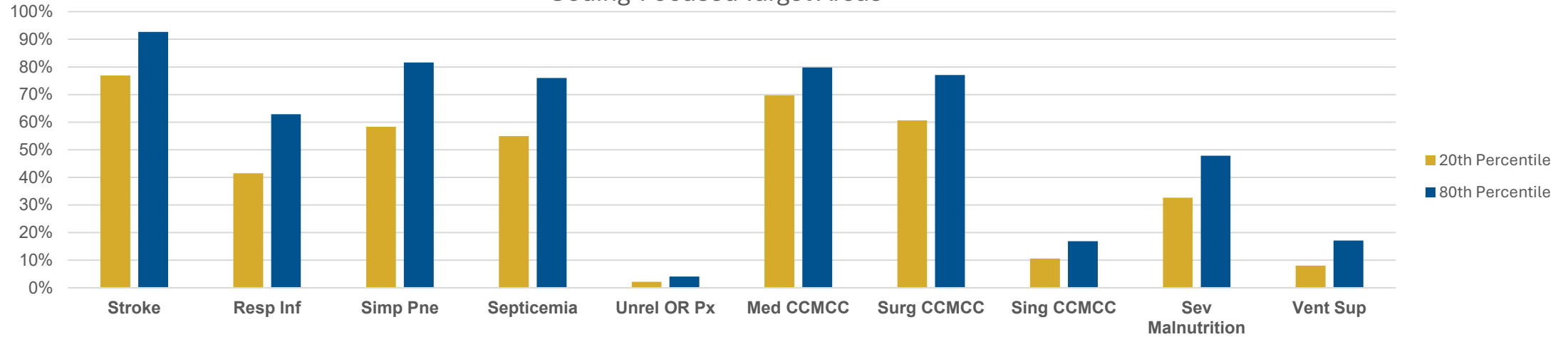
Example Target Area Calculation: Single CC/MCC (Continued)

National 20 th Percentile	10.6%	Low outlier	Not an outlier, if still below 80 th percentile
National 80 th Percentile	16.9%	Not an outlier, if above 20 th percentile	High outlier

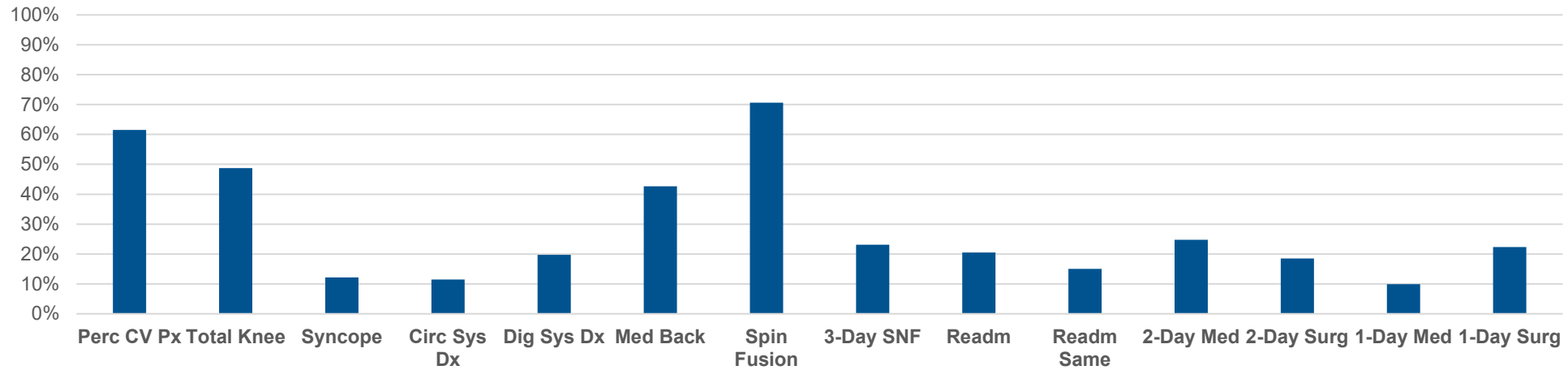
Hospital	Target Area Discharge Count (Numerator)	Denominator Discharge Count (Denominator)	Single CC or MCC Percentage	Outlier Status
Hospital 1	173	1,289	13.4%	Not an outlier
Hospital 2	12	25	48.0%	High outlier

ST PEPPER Q4 FY 2025 Target Area National Percentiles

Coding-Focused Target Areas



Admission-Necessity Focused Target Areas



Sample ST PEPPER Review



Website Portal Overview



PEPPER Website

Visit the [CMS PEPPER website](#) for more information, including links to the following tools:

- [FAQs](#)
- [User Guide](#)
- [PEPPER Help Desk](#)

PEPPER
Program for Evaluating Payment Patterns Electronic Report

[HOME](#) [TRAINING & RESOURCES](#) [FAQ](#)

PEPPERs for Short-Term Acute Care Hospitals are now available. Please click the PEPPER Portal button to access your report. Additional information regarding PEPPER access has been sent to your email.

[PEPPER Portal](#)

Welcome to PEPPER Resources

PEPPER.CBRPEPPER.org is the official site for information, training and support related to the Program for Evaluating Payment Patterns Electronic Report (PEPPER).

PEPPER Login Page



Login

Username

Password

Submit

A valid Identity & Access Management (I&A) System account is needed to access the Provider Portal of the website. This account is the same login information that is used to access NPES and PECOS systems. Only Authorized Officials and Individual Practitioners who have been vetted will be able to access Pepper reports.

If you have forgotten your Password, click the [Identity & Access Management System - Reset Forgotten Password](#) hyperlink to navigate to the Reset Password page.

If you enter an incorrect User ID and Password combination three times, your User ID will be disabled.

Please contact the EUS help desk if your account is disabled, you have forgotten your User ID, or you need to modify your account to accurately reflect your Authorized Official or Individual Practitioner status:

PECOS External User Services (EUS) Help Desk:

Phone: 1-866-484-8049

E-mail: EUS_Support@cms.hhs.gov

Hours of Operation: Monday - Friday, 7am-7pm EST

Website: <https://eus.cms.gov>

IMPORTANT! - Every individual user with access to the I&A system is responsible for:

- Keeping login information secure.
- Selecting strong passwords.
- Reporting any unauthorized use of accounts.

Sharing of login information is strictly prohibited!

Accessing Your PEPPER: Select Your Organization



Reports HelpDesk

Logout

PEPPER Resource Portal

Please click on the link to access your PEPPER(s). We recommend saving your PEPPER(s) to your computer in a location where it can be easily retrieved. Note that PEPPER is a Microsoft Excel workbook; navigate in PEPPER by clicking on the worksheet tabs along the bottom of the screen. Access the appropriate PEPPER User's Guide at PEPPERresources.org.

Select CMS Certification Number (CCN)

Available Files

Logout

View and Download Your Available PEPPER



Reports HelpDesk

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Select CMS Certification Number (CCN)

010001

Available Files

 Click filename to download

010001 20251205043009 Short-term Acute Care Hospital.xlsx **337 Kb**

010001 20260204023009 Short-term Acute Care Hospital.xlsx **286 Kb**

Logout



PEPPER Resources Portal Help Desk Request Form



Reports **HelpDesk**

Logout

Submit a New Help Request

If you would like to submit a question or request support, please complete the form below and click on the "Submit" button at the bottom of the page.

Select CMS Certification Number (CCN)

010001

Issue Category

I have another issue (please explain)

Problem Description

Contact e-mail

you@email.com

Phone Number

1234567890

Submit

Cancel



Questions & Answers



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!