



Program for Evaluating Payment Patterns Electronic Report

Short-Term (ST) Acute Care Hospital PEPPER Q3 2025 Release Webinar

January 6, 2026

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

ST Acute Care Hospital PEPPER Q3 2025 Release Webinar Agenda

- Welcome to today's presentation on the Q3 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 Chat box in Teams.

1 **Introductory Remarks**
5 Minutes

2 **PEPPER Overview & Updates**
20 Minutes

3 **Review PEPPER Portal**
10 Minutes

4 **Questions and Answers**
10 Minutes

5 **Closing Remarks**
5 Minutes

ST 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 December 10, 2025, provides data for Q3 FY 2023 through Q3 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?

- In August 2024, CMS released a Request for Information (RFI) to collect feedback to improve the overall usability and clarity of PEPPER.
- While the purpose and content of PEPPER remain the same, CMS implemented the following changes in response to user feedback:



A new access portal



Refreshed User Guides, updated with plain language and clear definitions for improved readability

PEPPER Target Areas

- PEPPERS display information on hospital payment patterns for certain areas identified as potentially at risk for improper Medicare payments, also 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

Target Area Updates

Surgical Complication and Comorbidity (CC) Major Complication and Comorbidity (MCC)

- Updated beginning with Q1 FY 2024 to remove Diagnosis Related Group (DRGs) 246 and 248 and replaced them with DRGs:
- **321** - Percutaneous cardiovascular procedures with intraluminal device with MCC or 4+ Arteries/Intraluminal Devices
- **322** - Percutaneous cardiovascular procedures with intraluminal device without MCC

Percutaneous Cardiovascular Procedures

- Updated beginning with Q1 FY 2024 to remove DRGs 246, 247, 248, and 249 and replace them with DRGs:
- **321** - Percutaneous cardiovascular procedures with intraluminal device with MCC or 4+ Arteries/Intraluminal Devices
- **322** - Percutaneous cardiovascular procedures with intraluminal device without MCC

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

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

Target Area	Target Area Definition
Stroke Intracranial Hemorrhage	Numerator: Count of discharges for the following DRGs: 061, 062, 063, 064, 065, 066 Denominator: Count of discharges for the following DRGs: 061, 062, 063, 064, 065, 066, 067, 068, 069

Example:

Hospital count of discharges that meet numerator criteria: 24

Hospital count of discharges that meet denominator criteria: 27

→ Target Area calculation: 24 out of 27 or **88.9%**

National 80th Percentile: 93.4%

National 20th Percentile: 77.1%

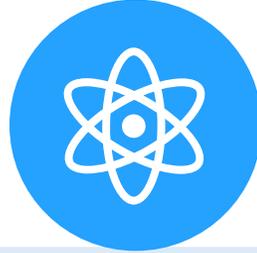
→ 88.9% falls between 77.1% and 93.4% so this hospital is *not an outlier* for Stroke ICH target area.

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

Sample PEPPER Review



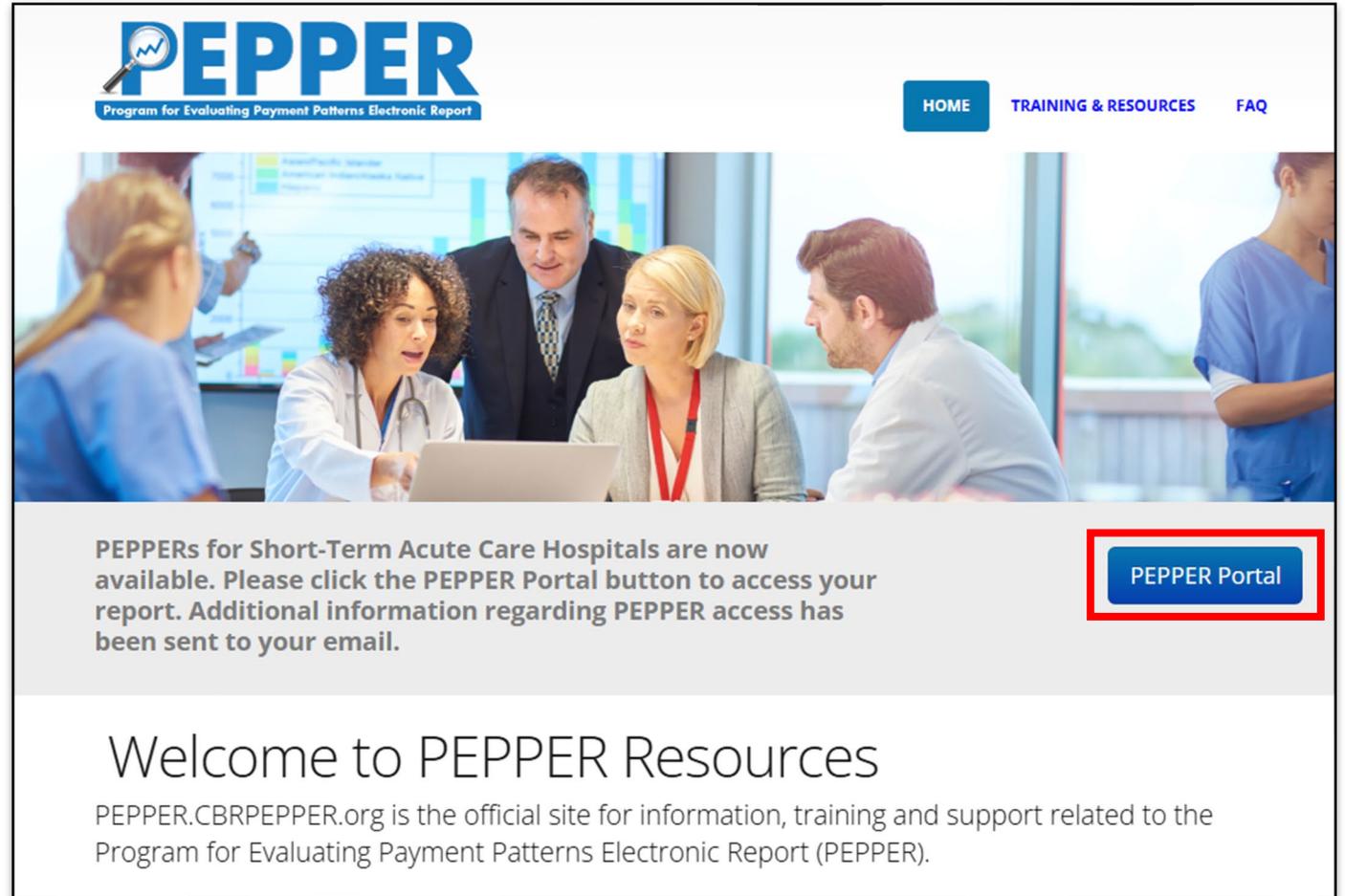
Website Portal Overview



PEPPER Website

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

- FAQs
- User Guide
- For additional help with accessing or interpreting your report, please contact the 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>

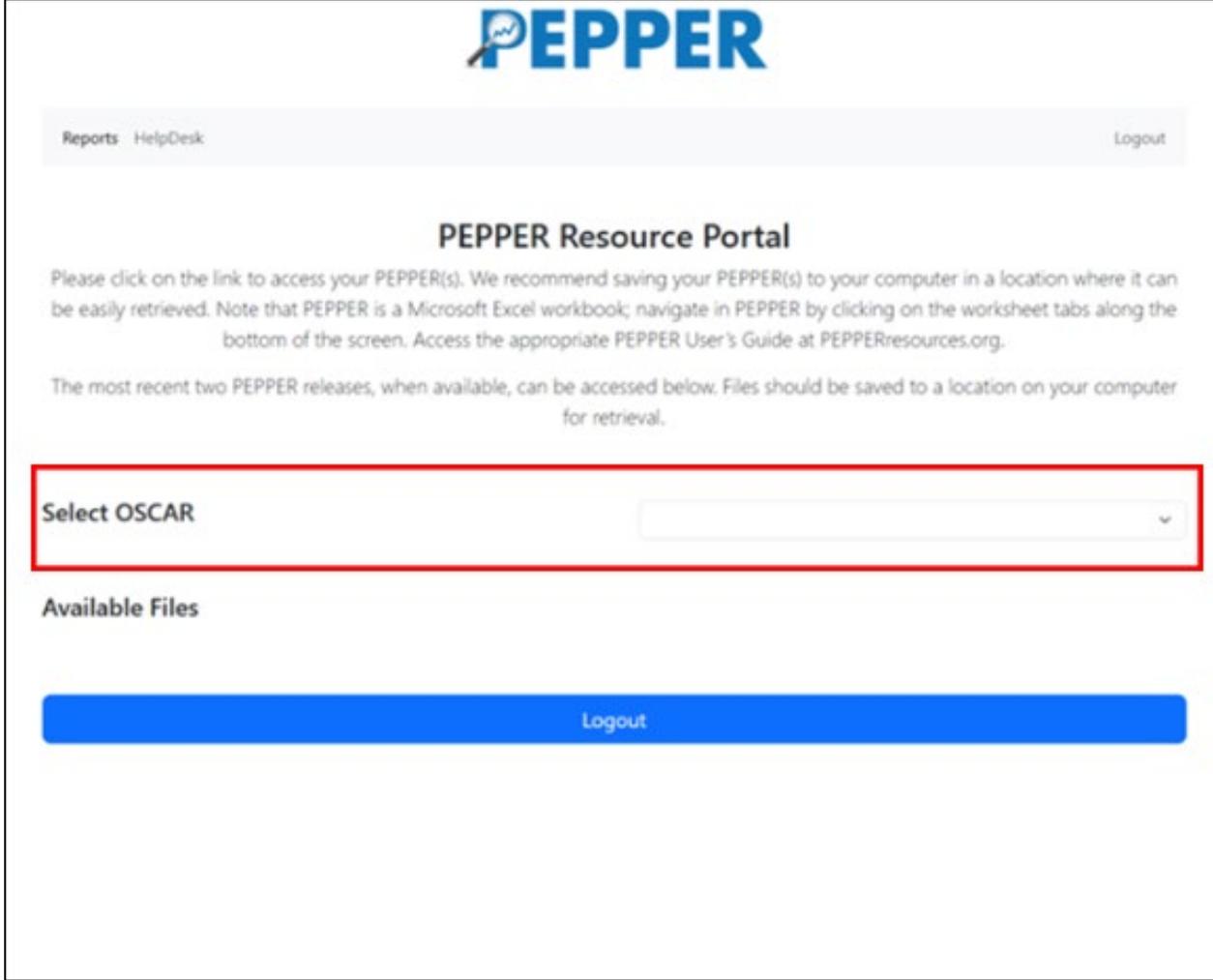
IMPORTANT! - Every individual user with access to the I&A system is responsible for:

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

Sharing of login information is strictly prohibited!

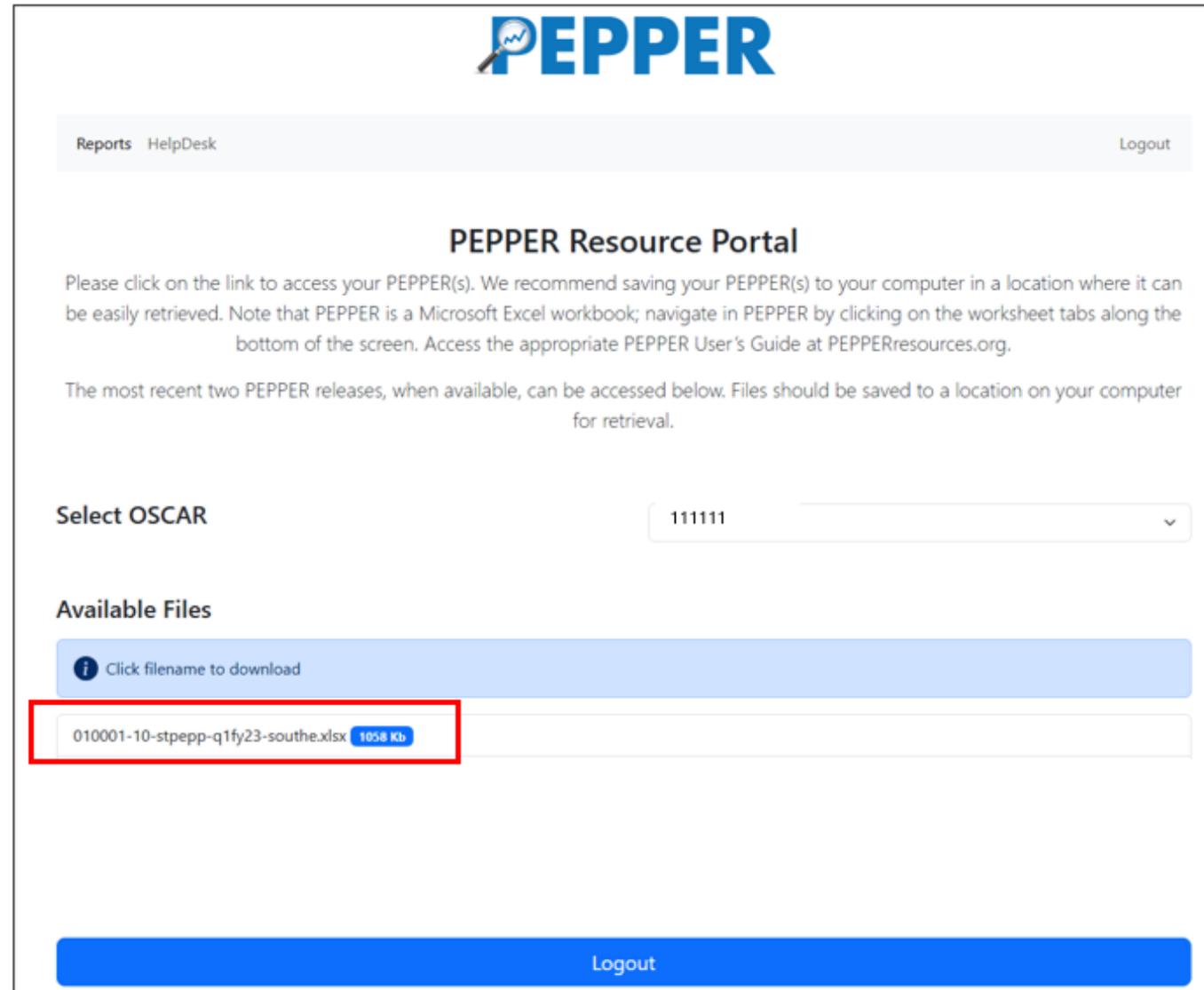


Accessing Your PEPPER: Select Your Organization



The screenshot shows the PEPPER Resource Portal interface. At the top, there is a navigation bar with "Reports" and "HelpDesk" on the left, and "Logout" on the right. The main heading is "PEPPER Resource Portal". Below this, there is a paragraph of instructions: "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." Below the instructions, another paragraph states: "The most recent two PEPPER releases, when available, can be accessed below. Files should be saved to a location on your computer for retrieval." A red rectangular box highlights a dropdown menu labeled "Select OSCAR". Below this, there is a section titled "Available Files" and a blue button labeled "Logout".

View and Download Available PEPPER



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PEPPER

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.

The most recent two PEPPER releases, when available, can be accessed below. Files should be saved to a location on your computer for retrieval.

Select OSCAR 111111

Available Files

Click filename to download

010001-10-stpepp-q1fy23-southe.xlsx	1058 Kb
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Logout

PEPPER Resources Portal Help Desk Request Form



ReportsHelpDeskLogout

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 OSCAR

111111▼

Issue Category

I have another issue (please explain)▼

Problem Description

Contact e-mail

name@email.com

Phone Number

1234567890

Submit

Cancel

Questions & Answers Section



Call to Action

- 1 Download and review your PEPPER
- 2 Use PEPPERS to perform internal audits
- 3 Share feedback with CMS to aid continuous improvement efforts

Thank You!

