
Short-Term Acute Care PEPPER

Webinar Transcript

January 6, 2026, 1:00 P.M.

Harjinder Gill:

Good afternoon, everyone. Welcome to today's Short-Term PEPPER release webinar. We appreciate you taking the time to join us and we will begin momentarily.

My name is Jinder Gill and on behalf of the PEPPER project team and our CMS colleagues, we would like to thank you for joining us today for Short-Term PEPPER release webinar.

A couple of housekeeping items before we get started. Please note that we are recording this session and all attendees will be placed on mute for today's session.

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

For anyone who prefers captions or needs them for accessibility, Microsoft Teams does offer a built-in closed captioning feature. To enable captions during the webinar, click on the More options, the three dots in your meeting controls. Select Turn on live captions and then captions will appear at the bottom of the screen.

Additionally, if you have questions you would like to ask after this session is complete, you can email your questions to CMS_CBR_PEPPEP@cms.hhs.gov.

Today's presentation will cover an overview of the Short-Term Acute Care Hospital PEPPER and the new PEPPER portal, and then we will answer questions before closing. To get started, I would like to introduce Hannah Klein, who will provide an overview of PEPPER and more details on the recent Short-Term PEPPER release.

Hannah Klein:

Thanks, Jinder. Hello, and thank you to everyone for joining us today. Let's 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 most recent fiscal quarters for the areas of vulnerability called target areas.

The latest Short-Term Acute Care Hospital PEPPER or Short-Term PEPPER was released on December 10th, 2025, and provides data for quarter three fiscal year 2023 through quarter three fiscal year 2025. This Short-Term PEPPER was generated for hospitals with at least 11 claims for at least one of the target areas included in the report. Please note that at this time, PEPPER is only available for Short-Term Acute Care Hospitals and CMS is working to release PEPPERs for additional facility types later in 2026.

PEPPERs are designed to encourage providers to review data about their billing practices so that they can improve the accuracy of the claims submitted for Medicare reimbursement. PEPPER enables hospitals to compare their claims data statistics against other hospitals in

their Medicare Administrative Contractor or MAC jurisdiction, their state, and across the nation. However, PEPPER does not identify improper Medicare payments. Rather, it is an educational tool for providers to help identify payment patterns that indicate areas of risk for improper payments for further review.

Today's webinar is focused on the latest Short-Term Acute Care Hospital PEPPER, which was released December 10, 2025, using a new report dissemination process for the first time since the program went on pause in 2023. Since that time, CMS released a request for information, or RFI, to collect feedback to inform improvements to the usability and clarity of PEPPER. CMS is continuing to implement changes to address feedback received from the RFI and feedback gathered from each new PEPPER release as the program continues. With the quarter three fiscal year 2025 Short-Term PEPPER, the purpose and content of the report remains the same as prior years, however, CMS delivered these reports through a new access portal, enhancing the security of the PEPPER access process. Please note that currently only individuals with Authorized Official (AO) or Access Manager (AM) designation and PECOS can access the PEPPER portal to view and download reports. Staff End Users, or SEUs, are expected to gain access to the PEPPER portal later this spring 2026. Until then, SEUs should coordinate with their AO or AM to access the PEPPER portal and download the report once available.

Additionally, CMS has updated the PEPPER User Guide to provide a refresh tool for PEPPER users with updated plain language and more clarity on the target area definitions.

PEPPER displays information on hospital payment patterns for specific areas of potential risk for improper Medicare payments called target areas. These target areas were identified through reviews by the Quality Improvement Organization and studies by the Office of Inspector General and these target areas may change over time as we learn more about new areas at risk for improper payments. The Short-Term PEPPER target areas are constructed as a ratio. The numerator captures discharges identified as potentially problematic while the denominator captures the larger reference group.

For the quarter three fiscal year 2025 Short-Term PEPPER, there were a few updates to the target area definitions due to changes in the code sets. The surgical complication and comorbidity, major complication, and comorbidity or surgical CCMCC target area was updated to reflect the removal of Diagnosis Related Group (DRG) 246 and 248 beginning with quarter one fiscal year 2024. These codes were replaced with DRGs 321 and 322.

The percutaneous cardiovascular procedures, or PERC-CV target area was updated to reflect the removal of DRGs 246, 247, 248, and 249 beginning with quarter one fiscal year 2024. These codes were replaced by DRGs 321 and 322. Within the Short-Term PEPPER, there are 24 target areas. The coding focus target areas are the first ten target areas that appear in the report. These include stroke, intracranial hemorrhage, respiratory infections, simple pneumonia, septicemia, unrelated OR procedure, medical CC or MCC, surgical CC or MCC, single CC or MCC, severe malnutrition, and ventilator support. For these target areas, the PEPPER report identifies both high and low outliers.

The remaining target areas are admission necessity focused. These include percutaneous cardiovascular procedures, total knee replacement, syncope, other circulatory system diagnosis, other digestive system diagnosis, medical back, spinal fusion, 3 day skilled nursing facility, 30 day readmissions to the same or hospital or elsewhere, 30 day readmissions to the same hospital, two day stay medical DRGs, two day stay surgical DRGs, one day stay medical DRGs, and finally one day stay surgical DRGs. Since these target areas are focused on admission necessity, the PEPPER only focuses on high outliers for these target areas.

So to show an example of how a PEPPER target area is calculated, we will walk through a calculation of the stroke intracranial hemorrhage target area. In this example, the hospital had 24 discharges that contained DRGs listed for the numerator criteria and 27 discharges that contained DRGs for the denominator criteria. As such, the stroke ICH target area percent for this hospital is 88.9%. In comparison for the same quarter, the national 80th percentile was 93.4% and the national 20th percentile was 77.1%.

Since this hospital's percentage was 88.9% and this is greater than 77.1% but less than 93.4%, this hospital is considered not an outlier for the stroke ICH target area.

So in conclusion, hospitals can use target area percentages and outlier status to pinpoint areas in need of further investigation or monitoring. They can also help identify potential DRGs at risk of under or over coding problems and areas where length of stay may be increasing for their organization.

Next, I'll turn it over to Dawn Strawser to review the sample PEPPER and its contents.

Dawn Strawser:

Hi everyone. As with previous PEPPER releases, this Short-Term PEPPER is delivered as an Excel workbook with separate tabs for the report purpose, the target area definitions, the target area comparison report, the National High Outlier Rankings report, and the results for each individual target area.

The Purpose tab includes a summary of the purpose and scope of the Short-Term PEPPER. It also displays the hospital CMS certification number or CCN, the MAC jurisdiction, and lists the date range included in the report.

For this release, the PEPPER includes data from quarter three fiscal year 2023 through quarter three fiscal year 2025.

Moving over to the Definitions tab, the Definitions tab provides the description, including the numerator and denominator information for each of the target areas. For more detailed information about how the target areas are calculated, please see the user guide available on the PEPPER website.

Next, we'll move to the Compare Targets report. This displays all of the target areas for which your facility has at least 11 claims for the numerator in the most recent fiscal quarter. For this report, which would be quarter three, fiscal year 2025 or April 2025 through June 2025.

If a hospital has more than 11 discharges that meet the target area numerator definition during the quarter, then this report will display the number of discharges, the metric rate, the percentiles when compared to the nation, the hospital jurisdiction, and the state, as well as the sum of payments for that target area. If a hospital is a high outlier for the target area, then the percent will be indicated in a red bold font. If a hospital is a low outlier for the target area, then the percent will be indicated in a green italic font, while non outliers are displayed in black regular font. The Outlier Rank tab includes the National High Outlier Ranking report, which displays a comparison of a hospital to all other Short-Term Acute Care Hospitals in terms of outlier status. The more target areas in which your hospital is an outlier, the higher the ranking.

The goal of the National High Outlier Ranking Report is to help hospitals assess risk for improper payments and trends across target areas. For each fiscal quarter and each target area, the table will display a one if the hospital is a high outlier and a zero if the hospital is a low outlier or not an outlier. For quarters with fewer than 11 encounters that meet the numerator criteria, the table will display an N/A. We're going to just pull up the stroke ICH tab as one of the

examples of the target areas. The data for each of these target areas is displayed on a separate tab with the hospital's performance over time.

These tabs display the metric results for your facility in both table and graph form and list out suggested steps for investigating high or low outliers. Historically, PEPPERs displayed the tables on one tab and the graph results on another, whereas this new format includes the tables and corresponding graph on the same tab. Note that hospitals must have at least 11 discharges for the numerator of a target area for each quarter to be displayed in the PEPPER. If there is insufficient data, the table will display no data or a pound N/A and the graph will only display the trend timelines for the 80th and 20th percentiles for the nation, state, and jurisdictions. Again, if the hospital's target area percentage is a high outlier, then it's going to be displayed in a red bold font, and if it's a low outlier, it'll be displayed in a green italics font.

For the admissions-necessity based target areas, only the 80th percentile is displayed in the comparative data table and subsequent report. Now we're going to go over to the one day stay medical and this also will include information on the one day surgical DRG.

For the one day stay medical and one day stay surgical DRG target areas, the target area tab also includes information about the top DRGs for the hospital and hospital's jurisdiction. The hospital top DRGs table displays the top 20 ranked DRGs for which there is a total of at least 11 same day and one day stays for the respective DRG during the most recent four fiscal quarters. If multiple DRGs share the same rank, all tied DRGs will be displayed.

If there are no quarters and no data, this will display in the total for each DRG. The table counts the DRGs regardless of the length of stay, the proportion of same or one day stays compared to all discharges, and the average length of stay for the DRG for the hospital.

The table also displays the count of same and one day stays for all the medical or surgical DRGs, the total number of discharges for all the medical and surgical DRGs, the proportion of same or one day stays, and an average length of stay for all medical or surgical DRGs.

The PEPPER will also display the top DRG information for the MAC jurisdiction for comparison, the bottom of the report.

Now I'm going to turn it back over to Hannah to review the website portal.

Hannah Klein:

Thanks, Dawn. So now we'll walk through the process for accessing and downloading the Short-Term PEPPER. Begin by visiting the CMS PEPPER webpage. 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 on 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 reference for future use.

Click on the blue button for PEPPER Portal to open the PEPPER Portal. This will take you to the PEPPER login page. To access the new portal, you will need to have an account with the CMS Identity and Access Management System or I&A and be registered as an authorized official or access manager for your organization. This is the same login information that is used to access the CMS, NPPES and PECOS systems. If you need assistance with your I&A credentials, please contact the External User Services or EUS Help Desk.

CMS is working to expand access for staff and users in PECOS, which we anticipate will be complete this spring. Keep an eye out for communications in the coming months via email, the Medicare Learning Network and social media, including X and LinkedIn for more updates.

So once you've logged into the PEPPER portal, you will see a dropdown with 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 AO or AM OR the EUS help desk to verify that you are listed as an AO or AM for that CCN. If you are an AO or an AM and you still do not see your organization's CCN listed, then that means that there is no PEPPER available for that organization at this time.

As a reminder, only Short-Term Acute Care Hospitals with reportable data for quarter three fiscal year 2023 through quarter three fiscal year 2025 will have a Short-Term PEPPER available for download at this time. PEPPERs for other facility types will be available later in 2026.

OK, so as I mentioned, this is where you'll see that dropdown for your organization's CCN. It looks like Jinder has access and has control of the PowerPoint, so I'll ask her to move to the next slide. Once you've logged in and you've selected your CCN for the one you would like to view and download your Short-Term PEPPER, you will see the file listed below and to download you will just click on the file name itself.

Next slide. So if you have questions about how a target area was calculated or any questions about the content in your PEPPER, you're welcome to submit questions using the Help Desk form, which you can find by selecting Help Desk from the top navigation bar at the top of the web page. From there, our team will take your questions and respond accordingly. Now I'm going to hand it over to Dena to facilitate our Q&A session.

Dena Gregory:

Thank you, Hannah. We have received a lot of questions in the chat, so please go ahead and look there and see if your question has already been answered or if you have a new question or don't see the answer, please go ahead and add it to the chat function. All participants are muted during this call, so we will answer via chat. We will answer out loud to questions via chat.

So one of the most recent and frequent questions is related to the help desk, well to the actual portal and downloading the PEPPER as mentioned in the presentation. At this time only the AOs, the Authorized Officials, as well as the access managers, the AMs have access to the portal to access a portal and download the report. If you are not an AO or AM, please contact your organization's AO or AM asking them to access a portal and download your report and if you do not know who they are you can contact the EUS help desk, which in the chat we have posted their contact information. I did see a question in here about the portal help desk, only at this time the AOs and AMs have access to the help desk within the portal, but you can email the CMS help desk through the CMS_CBR PEPPER@cms.hhs.gov and we will post that in the chat as well. Also staff end users, we are working on getting staff end users access this spring, so please keep an eye out for communications on that. I think Hannah or Dawn mentioned that we will send email communications as well as post through the Medicare Learning Network and as a post on X and LinkedIn.

Let me see if anyone else on my team wanted to help facilitate asking the questions or reading questions out loud or I can read them out loud and others answer. I'll read one. It says I used to get emails to access PEPPER, now when I try to access it does not have me listed. That's correct. Unless you are an AO or AM at this time you will not have access to the portal to download the PEPPER. So this is a new system that was put in place with this new portal and there's a question about, I just lost it, but is there a link that the AO can use to grant access to me to be the AM and that's something you have to go through the I&A system to do. I believe you as an individual have to go through their portal and answer all the necessary questions and

then the link goes directly to the AO to approve or disapprove who has access or what permissions you have.

I see there is a question about can a facility have more than one AO or AM and yes, they can.

I see that there is some frustration with the EUS help desk not being able to help with identifying who the AM or AO is. I see you are also going through the process of becoming an AO/AM yourself. This is for Stephanie Pruitt, I know that you have submitted a question through the help desk, so we have been working directly with the EUS help desk as well to help some individuals who are not able to find their AM or AO. Stephanie, if you wanted to reach back out to us and we can try to make that connection again and see what's going on there. Just noting that not from the help desk, but from the PEPPER portal, we are directly linked to the I&A and we do not have any discretion in terms of making that connection to the AOs and AMs, we just have the list and a crosswalk that links the PEPPERs to those who are designated as AO and AM. So I understand that's frustrating, but you know, we're trying to work with EUS to help as many of you providers as possible in the meantime.

Hannah or others have any other types of questions come through?

Hannah Klein:

Yeah, it looks like some folks are trying to get into the portal and having troubles. We'll work with our team to see if there's anything we can do to update that, but please check back later. It could be that it's overloaded with users trying to log on at this point.

Dawn Strawser:

There are multiple questions regarding access to the FAQs or user guides or the recordings without having a login. And yes, you are able to access the PEPPER website without logging in. So that website is posted in the chat, PEPPER.CBRPEPPER.org, and you should be able to access general information about the PEPPER FAQs and user guides.

There was one question about will the PEPPER be available for Critical Access Hospitals? Yes, this release was just for the Short-Term Acute Care Hospitals and Critical Access Hospital, and the other facility types will become available later in 2026.

Dena Gregory:

And I think as noted, I just wanted to mention again that CMS is working to get access for the Staff End Users in the spring. So you know in the coming months you won't have to work with your AO and AM to access that. And I do believe that there may be some additional permissions that need to be accepted by your AO or AM going forward, but there will be communications that are sent out with those instructions.

Do we see any other questions?

I see one question from Gale: I have access to two of our five hospitals. How do I get access I need? With this, it's the same that it's dependent on who is listed as the AO or AM for those specific hospitals and those are the folks that would have access at this time.

I see a question from Ginger Johns. Is there a feature that allows the AO to send the PEPPER report via email automatically when it is available? Currently, that feature is not available. If there is a functionality or feature that you're interested in, feel free to send us an email and CMS can take this into consideration.

I see somebody indicated they missed the beginning. Sorry, did I miss obtaining a copy of today's slides? The slides, as well as a recording of this presentation and the transcript, will be available later this week or early next week as well as the FAQs that we are answering, they'll be a part of the transcript if they've been read out loud and we'll look to answer the other questions if we missed any.

I see a question from Lisa asking about how to be added to a listserv for the future to find out about new rollout changes. The current communications that went out for this release went to the AOs and AMs that were in the system at the time of the release, as well as to a former PEPPER listserv that was used prior to the pause in 2023, along with communications through the Medicare Learning Network, as well as posted on X and LinkedIn. We'll work with CMS to post a function to add your name to a listserv so we can send those out in the future to those interested.

I see a question from Tracy: Do I need permission from our AO to get added as an AO? My facility, the CFO, is the AO. I'm not sure if he is aware of how to log on.

At this time you would have to go through the I&A system to complete the application and all the questions they ask. And in terms of adding giving you the permissions, I'm not sure if they can actually add you as an AO. I know they limit that role to just a few individuals within an organization, but as I noted before we're working on getting the Staff End Users permissions. Also, if you know who your AO is, please reach out to them and ask them for at least, for this release, to please access the portal and download the report and share it with you.

I see a question about is severe malnutrition still remaining on the PEPPER? Dawn or Hannah, you know that.

Oh, I see somebody said yes, it is.

Hannah Klein:

Yes, still remains.

Dawn Strawser:

Yes, that still remains.

Hannah Klein:

Someone asked about a summary of the changes made. That'll be the slides available on the website, which I think we covered earlier in the presentation. But you're also welcome to look at page three of the user guide, which is available under the Training and Resources section of the website. Page three in the user guide summarizes the changes for this release of the Short-Term PEPPER.

Dawn Strawser:

There's also multiple questions about is there a way to see the detailed claims we used to generate the PEPPER, and the PEPPER team cannot provide a listing of patients related to the PEPPER target areas, but the provider should be able to identify those patients using the same inclusion and exclusion criteria for this target area numerator definitions and denominator definitions, and you can refer to the user guide for that specific information so you can try to replicate the numbers.

I do think I saw a question about the top DRG reports. I think we covered that in our presentation today. Previously, the top DRG tables were listed as separate tabs in the Excel.

Now they have been integrated into the one day stay medical DRG tab and the one day stay surgical DRG tab. You just need to scroll down on those tabs to view the top DRG list tables.

Dena Gregory:

Hannah, I see a question. Can you send screenshots on how to download the report so we can help them? We'll provide. Well, I'm just asking Hannah if you wanted to review those slides again since we have a few minutes, but also that will be included when we send the PowerPoint, when we post the PowerPoint and the presentation on the website. Additionally, we do have the instructions in the email that the AOs and AMs received. Millie, if you wanted to email our help desk, we can forward that email to you and I'll post the email address for you.

Hannah Klein:

Looks like we've gotten some questions about how often the PEPPERs will be updated with new measures and how often they will be reproduced. So, following the release on December 10th, this was our first Short-Term PEPPER release since the program went on pause. Going forward, we're looking to resume the quarterly release schedule. So, the next Short-Term PEPPER will be coming out at the end of Q1 2026 and then we'll continue on from there. In terms of updates to the measures, CMS will review and update the target areas as needed. At this time we don't have a specific schedule for how often those will be updated.

Dena Gregory:

OK. We will continue to go through these questions in case we missed any and we will work to respond to these questions either in writing or as part of this webinar, as I mentioned before that we are recording it. The recording as well as the slides and transcript will be available following the call.

Jinder, do you want to close this out and Elaine with our poll?

Harjinder Gill:

Apologies for the little glitch earlier today, thank you again for joining us. Before we close, we'd like to have a call to action. If you haven't already, please review your PEPPER. We encourage you to use the reports to perform internal audits. And finally, we appreciate your feedback during this call as well the questions and we look forward to continue to hear about your experience with the Short-Term PEPPERs. At this point, we are concluding the session. Thank you very much and please do reach out with any questions.

Thank you.