Hospital System Has Long History of Relying on PEPPER to Help with Compliance Risk Assessment

WellSpan is an integrated health system, based in Pennsylvania, that includes six hospitals and a large multidisciplinary medical group. The organization has been relying on PEPPER for 10 years to help with compliance risk assessment.

The Program for Evaluating Payment Patterns Electronic Report (PEPPER) is a comparative data report that summarizes a hospital's Medicare claims data statistics for areas prone to abuse/improper Medicare payments.

Sue Shollenberger, one of two directors of corporate compliance for the health system, described how they use PEPPER in support of their internal compliance audit work plan. On a quarterly basis, Ms. Shollenberger receives the PEPPER for all hospitals from their quality department, which has access via QualityNet to obtain all of their PEPPERs. They first review the "Compare" report to see if the hospital is a high or low outlier for any of the target areas; then they move on to the graphs and focus on anything that stands out.

"We want to know if there might be a reasonable cause (for standing out)," she said. "Should we investigate further? Is this a "hot" topic? We might decide to watch some areas if they are approaching the 80th percentile."

The 80th percentile is the demarcation point, above which a facility is considered an outlier in a target area compared to other facilities across the nation.

Frank Mesaros, a senior auditor at WellSpan, described the process of reviewing PEPPER with their compliance risk assessment team. The team is comprised of members from care management, finance, health information management (HIM) and compliance, and meets on a monthly basis.

"One of the functions of the team is to evaluate the PEPPERs for each of their hospitals," Mr. Mesaros said. "Are there any areas of risk? If so, we coordinate with the appropriate team within the provider (hospital) to determine if there is a logical explanation for the statistics. We also compare PEPPERs for all hospitals, so we are aware of what is going on in the system."

The team developed an assessment tool (click for PDF) they use to assess risk and determine whether an issue identified in the PEPPER should be added to the audit work plan. The assessment tool is a grid that takes into account volume, Medicare reimbursement, whether the area is a focus of current external enforcement actions (e.g., is it on the Office of Inspector General work plan? Has the Comprehensive Error Rate Testing contractor identified issues?), and whether there are any existing internal controls in place (e.g., is the department already monitoring/auditing this particular issue?). Each factor is scored. The team examines the total score and if it is high/above threshold, the issue is added to the work plan. The compliance directors and compliance risk assessment team have the authority to override the score assessment and add areas to the work plan if they deem it a high-risk area, regardless of the score.

“This approach works for us on a feasibility basis but may need to be tweaked as the health care environment evolves,” Ms. Shollenberger said.

The compliance department works with their HIM department if there is a concern with undercoding, and they audit when there is potential for overcoding.

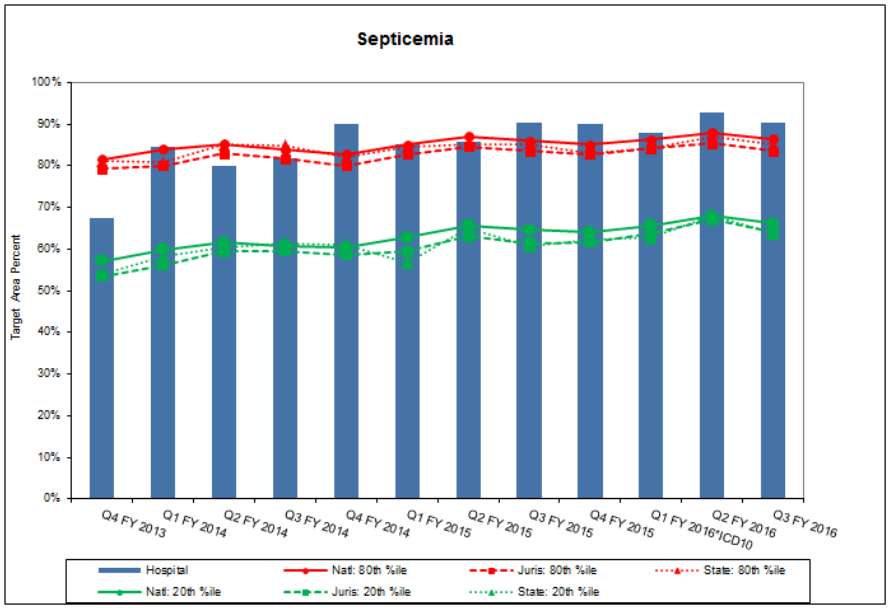
“HIM can identify if a particular physician is involved and can work with them to improve documentation, if needed,” she said.

Ms. Shollenberger noted that they also have clinical documentation improvement nurses on staff who conduct concurrent reviews of documentation. They can coordinate with medical staff in real-time to strengthen documentation as needed.

“We don’t want overpayments, but we don’t want to leave money on the table, either,” She said.

When asked if they identified any changes in their PEPPER statistics that may have been a result of new services or initiatives, Ms. Shollenberger described a quality initiative their system implemented related to sepsis. Their goal was to identify patients with sepsis earlier in the admission, so that treatment could be started earlier and patients would have better outcomes. As a result, “We saw our number of sepsis discharges increase,” she said.

See example Septicemia target area graph below.



Several of their hospitals also have inpatient rehabilitation facility and inpatient psychiatric facility units. These PEPPERs, which are released annually, are also shared with the managers over these units, for review.

When asked what advice she would offer to someone unfamiliar with PEPPER, she advises: “Concentrate on the graphs first, then learn to use the other reports. Evaluate any changes in statistics; is it an episodic spike or a trend? Consider volume. Prioritize areas for review to best allocate hospital resources.”

For more on PEPPER, visit PEPPERresources.org.

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