

Inpatient Psychiatric Facilities (IPF) Improper Payment Risks

- PEPPER does not identify improper payments
- Reimbursed through the Medicare IPF prospective payment system (PPS).
- Can be at risk for improper Medicare payments due to coding errors or unnecessary admissions.
- Target areas were identified based on a review of the IPF PPS, coordination with CMS IPF subject matter experts, and analysis of national claims data.

IPF Target Areas

- Areas identified as potentially at risk for improper Medicare payments (e.g., coding or billing errors, unnecessary services)
- Focused on admission necessity or coding issues
- A target area is constructed as a ratio:
 - Numerator = discharges identified as potentially problematic (likely to be miscoded or admitted unnecessarily)
 - Denominator = larger reference group that contains the numerator

IPF PEPPER Target Areas

Target Area	Target Area Definition
Comorbidities	N: count of discharges with at least one comorbidity on the claim D: count of all discharges
No Secondary Diagnoses	N: count of discharges with no secondary diagnosis codes D: count of all discharges
Outlier Payments	N: sum of outlier approved amounts, in dollars D: sum of Medicare reimbursement for all discharges, in dollars

IPF PEPPER Target Areas, 2

Target Area	Target Area Definition
3- to 5-Day Readmissions	<p>N: count of index (first) admissions during the 12-month time period for which a readmission occurred within three to five calendar days (four to six consecutive days) to the same IPF or to another IPF for the same beneficiary (identified using the Health Insurance Claim number)</p> <p>D: count of all discharges excluding patient discharge status code 20 (expired)</p>

IPF PEPPER Target Areas, 3

Target Area	Target Area Definition
30-Day Readmissions	<p>N: count of index (first) admissions during the 12-month time period for which a readmission occurred within 30 days to the same IPF or to another IPF for the same beneficiary (identified using the Health Insurance Claim number), excluding patient discharge status code 65 (discharged/transferred to a psychiatric hospital or psychiatric distinct part unit), 93 (discharged/transferred to a psychiatric hospital/unit with a planned acute care hospital readmission), 07 (left against medical advice)</p> <p>D: count of all discharges excluding patient discharge status codes 65, 93, 07, 20</p>