

Inpatient Rehabilitation Facilities (IRF) Improper Payment Risks

- PEPPER does not identify improper payments.
- IRFs are reimbursed through the IRF prospective payment system (PPS).
- IRFs can be at risk for improper Medicare payments due to coding errors or unnecessary admissions.
- IRF PEPPER target areas were identified based on a review of the IRF PPS, coordination with Centers for Medicaid & Medicare Services IRF subject matter experts and analysis of national claims data.

Target Area

- Area identified as potentially at risk for improper payments
- Focused on admission necessity or coding issues
- 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

IRF PEPPER Target Areas

Target Area	Target Area Definition
Miscellaneous CMGs	<i>N</i> : count of discharges for Case-Mix Groups (CMGs) 2001 (Miscellaneous $M > 49.15$), 2002 (Miscellaneous $M > 38.75$ and $M < 49.15$), 2003 (Miscellaneous $M > 27.85$ and $M < 38.75$) or 2004 (Miscellaneous $M < 27.85$) <i>D</i> : count of all discharges
CMGs at Risk for Unnecessary Admissions	<i>N</i> : count of discharges with no tier group assignment for CMGs 0101 (Stroke $M > 51.05$), 0501 (Non-traumatic Spinal Cord Injury $M > 51.35$), 0601 (Neurological $M > 47.75$), 0801 (Replacement of Lower Extremity Joint $M > 49.55$), 0802 (Replacement of Lower Extremity Joint $M > 37.05$ and $M < 49.55$), 0901 (Other Orthopedic $M > 44.75$), 1401 (Cardiac $M > 48.85$), or 1501 (Pulmonary $M > 49.25$) <i>D</i> : count of all discharges

IRF PEPPER Target Areas, 2

Target Area	Target Area Definition
Outlier Payments	<i>N</i> : count of discharges with an outlier approved amount greater than \$0 <i>D</i> : count of all discharges
STACH Admissions following IRF Discharge	<i>N</i> : count of beneficiaries discharged from the IRF during the 12-month time period that were admitted to a short-term acute care hospital within 30 days of discharge from the IRF; excluding beneficiaries that were transferred to a STACH, LTCH or IRF within one day of discharge as evidenced by a subsequent claim; excluding patient discharge status codes 07 (left against medical advice), 20 (expired) <i>D</i> : count of all discharges excluding beneficiaries that were transferred to a STACH, LTCH or IRF within one day of discharge as evidenced by a subsequent claim; and excluding patient discharge status codes 07, 20

IRF PEPPER Target Areas, 3

Target Area	Target Area Definition
Short Stays *new as of the Q4FY19 release	<i>N</i> : count of discharges with LOS less than or equal to three days, excluding discharge status code 20 <i>D</i> : count of all discharges excluding discharge status code 20
3- to 5-Day Readmissions *new as of the Q4FY19 release	<i>N</i> : 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 IRF for the same beneficiary (identified using the Health Insurance Claim number) <i>D</i> : count of all discharges excluding patient discharge status code 20