

Long Term Acute Care Hospitals (LTACH) Improper Payment Risks

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

PEPPER 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

LTACH PEPPER Target Areas

Target Area	Target Area Definition
Septicemia	<p>Numerator (N): count of discharges for DRGs 870 (septicemia or severe sepsis with mechanical ventilation >96 hours), 871 (septicemia or severe sepsis without mechanical ventilation >96 hours with major complication or comorbidity [MCC]), 872 (septicemia or severe sepsis without mechanical ventilation >96 hours without MCC)</p> <p>Denominator (D): count of discharges for DRGs 193 (simple pneumonia and pleurisy with MCC), 194 (simple pneumonia and pleurisy with complication or comorbidity [CC]), 195 (simple pneumonia and pleurisy without CC/MCC), 207 (respiratory system diagnosis with ventilator support 96+ hours), 208 (respiratory system diagnosis with ventilator support < 96 hours), 689 (kidney and urinary tract infections with MCC), 690 (kidney and urinary tract infections without MCC), 870, 871, 872</p>

LT PEPPER Target Areas, 2

Target Area	Target Area Definition
Excisional Debridement	<p>N: count of discharges for DRGs affected by International Classification of Diseases, 10th Revision, Procedure Coding System (ICD-10-PCS) procedure codes for excisional debridement (See Appendix 1) that have an excisional debridement procedure code on the claim (See Appendix 2)</p> <p>D: count of discharges for the DRGs (See Appendix 1)</p> <p>Note: Based on changes related to ICD-10, Appendices 1 and 2 have been updated</p>
Short Stays	<p>N: count of discharges that were discharged on or the day after the short stay outlier threshold was met</p> <p>D: count of all discharges</p>

LT PEPPER Target Areas, 3

Target Area	Target Area Definition
Short Stays for Respiratory System Diagnoses	<p>N: count of discharges for DRGs 177 (respiratory infections and inflammations with MCC), 189 (pulmonary edema and respiratory failure) or 193 (simple pneumonia and pleurisy with MCC), 207 (respiratory system diagnosis with ventilator support >96 hours), 208 (respiratory system diagnosis with ventilator support <96 hours) that occurred on the day of or day after the short stay outlier threshold was met</p> <p>D: count of all discharges for DRGs 177, 189, 193, 207, 208</p>
Outlier Payments	<p>N: count of discharges with a DRG outlier approved amount > \$0</p> <p>D: count of all discharges</p>

LT PEPPER Target Areas, 4

Target Area	Target Area Definition
30-day Readmissions to Same Hospital or Elsewhere	<p>N: count of index (first) admissions during the 12-month time period for which a readmission occurred within 30 days of discharge to the same hospital or to another long-term acute care prospective payment system (PPS) hospital for the same beneficiary (identified using the Health Insurance Claim number), patient discharge status of the index admission is not equal to 63 (discharged/transferred to a LTCH), 91 (discharged/transferred to a LTCH with a planned acute care hospital inpatient readmission), 07 (left against medical advice)</p> <p>D: count of all discharges excluding patient discharge status codes 63, 91, 07, 20 (expired)</p>

LT PEPPER Target Areas, 5

Target Area	Target Area Definition
STACH Admissions following LTACH Discharge	<p>N: count of beneficiaries (identified using the Health Insurance Claim number) discharged from the LTCH during the 12-month time period that were admitted to a short-term acute care hospital within 30 days of discharge from the LTCH; excluding transfers to a short-term acute care hospital or a long-term acute care hospital within one day of discharge as evidenced by a subsequent claim; excluding patient discharge status codes 07 (left against medical advice), 20 (expired)</p> <p>D: count of all discharges excluding transfers to a short-term acute care hospital or a long-term acute care hospital within one day of discharge as evidenced by a subsequent claim; and excluding patient discharge status codes 07, 20</p>

Short-stay Outliers

- Discharge occurs on or before 5/6th geometric mean length of stay for the DRG
- Hospital receives less than full long-term care hospital DRG payment
- More information is available on the CMS Web site, cms.gov.