

# SNF Improper Payment Risks

- SNFs can be at risk for improper Medicare payments related to improper coding and unnecessary care.
- The PEPPER cannot identify improper Medicare payments.
- Target areas were identified based on a review of literature regarding SNF payment vulnerabilities, review of the SNF PPS, analysis of claims data and coordination with CMS subject matter experts.

## SNF Improper Payment Risks, 2

- As of Oct. 1, 2019, SNFs are reimbursed through the PDPM.
  - Previously, SNFs were reimbursed through the SNF prospective payment system, based on Resource Utilization Groups (RUGs).
  - Several *SNF PEPPER* target areas were designed to report on payment vulnerabilities specific to the RUGs.
    - The Q4FY19 release still includes these target areas.
    - The following target areas will be phased out for the FY2020 release (anticipated in April 2021):
      - *Therapy RUGs with High ADL*
      - *Nontherapy RUGs with High ADL*
      - *Change of Therapy Assessment*
      - *Ultrahigh Therapy RUGs*

## SNF Improper Payment Risks, 3

- The new target area, *3- to 5-Day Readmissions*, was identified through a review of the PDPM and in coordination with CMS subject matter experts.
- Moving forward, additional target areas may be identified to reflect other potential vulnerabilities related to the PDPM.

## Target Area

- Area identified as potentially at risk for improper Medicare payments.
- Constructed as a ratio:
  - Numerator = RUG days/episodes of care identified as potentially problematic
  - Denominator = larger reference group that contains the numerator

# SNF PEPPER Target Areas

Target Area	Target Area Definition
<b>Therapy RUGs with High ADLs</b>	<p>Numerator (N): count of days billed within episodes of care ending in the report period with RUG equal to RUX (Rehabilitation ultra high &amp; extensive services w/ Activities of Daily Living [ADL] 11-16), RVX (Rehabilitation very high &amp; extensive services w/ ADL 11-16), RHX (Rehabilitation high &amp; extensive services w/ ADL 11-16), RMX (Rehabilitation medium &amp; extensive services w/ ADL 11-16), RUC (Rehabilitation ultra high w/ ADL 11-16), RVC (Rehabilitation very high w/ ADL 11-16), RHC (Rehabilitation high w/ ADL 11-16), RMC (Rehabilitation medium w/ ADL 11-16), RLB (Rehabilitation low with ADL 11-16)</p> <p>Denominator (D): count of days billed within episodes of care ending in the report period for all therapy RUGs</p>

## SNF PEPPER Target Areas, 2

Target Area	Target Area Definition
<b>Nontherapy RUGs with High ADLs</b>	<p><i>N</i>: count of days billed within episodes of care ending in the report period with RUG equal to HE2 (Special care high w/ depression &amp; ADL 15-16), HE1 (Special care high w/o depression &amp; ADL 15-16), LE2 (Special care low w/ depression &amp; ADL 15-16), LE1 (Special care low w/o depression &amp; ADL 15-16), CE2 (Clinically complex w/ depression &amp; ADL 15-16), CE1 (Clinically complex w/o depression &amp; ADL 15-16), BB2 (Behavior/cognitive w/ 2+ restorative nursing &amp; ADL 2-5), BB1 (Behavior/cognitive w/ &lt;=1 restorative nursing &amp; ADL 2-5), PE2 (Physical function w/ 2+ restorative nursing &amp; ADL 15-16), PE1 (Physical function w/ &lt;=1 restorative nursing &amp; ADL 15-16)</p> <p><i>D</i>: count of days billed within episodes of care ending in the report period for all nontherapy RUGs (See Appendix 2)</p>

## SNF PEPPER Target Areas,3

Target Area	Target Area Definition
<b>Change of Therapy Assessment</b>	N: count of assessments with AI second digit equal to “D” within episodes of care ending in the report period  D: count of all assessments within episodes of care ending in the report period
<b>Ultrahigh Therapy RUGs</b>	N: count of days billed with RUG equal to RUX, RUL, RUC, RUB, RUA  D: count of days billed for all therapy RUGs
<b>20-day Episodes of Care</b>	N: count of episodes of care ending in the report period with a length of stay of 20 days  D: count of episodes of care ending in the report period

# SNF PEPPER Target Areas, 4

Target Area	Target Area Definition
<b>90+ Day Episodes of Care</b>	<p>N: count of episodes of care at the SNF with LOS 90+ days</p> <p>D: count of all episodes of care at the SNF</p>
<b>3- to 5-Day Readmissions</b> <b>(new as of the Q4FY19 release)</b>	<p>N: count of readmissions within three to five calendar days (four to six consecutive days) to the same SNF for the same beneficiary (identified using the Health Insurance Claim number) during an episode that ends during the report period</p> <p>D: count of all claims associated with SNF episodes ending during the report period, excluding patient discharge status code 20 (expired)</p>