

Three Basic Statistics

- Numerator and denominator counts: episodes, beneficiaries, reimbursement, case mix weight, etc
- Payments (sum and average of numerator)
 - Not applicable for Average Case Mix, Outlier Payments
- Average length of stay (numerator and denominator)
 - Not applicable for Average Case Mix numerator, Average Number of Episodes denominator

Percents and Percentiles

- Percents are at the heart of PEPPER
- It is easy to confuse percents and percentiles
- Let's clarify the definitions and how they relate to each other in PEPPER

Target Area Statistics

- Numerator – number of episodes/sum of dollars/case mix weight as in numerator definition; will not display if <11
- Denominator – number of episodes/sum of dollars/beneficiaries as in denominator definition; will not display if <11

Target Area Percents

- Target area percents are calculated by dividing the numerator count by the denominator count for each HHA for each time period, then multiplying by 100
- Example: Episodes with 5 or 6 Visits:

$$\frac{16 \text{ episodes with 5 or 6 visits}}{98 \text{ total episodes}} \times 100 = 16\%$$

Target Area Rates

- Target area rates are calculated by dividing the numerator value by the denominator value
- Example: Average Number of Episodes:

$$\frac{97 \text{ episodes paid to the HHA}}{84 \text{ count of unique beneficiaries served by the HHA}} = \text{rate of } 1.2$$

Percentiles

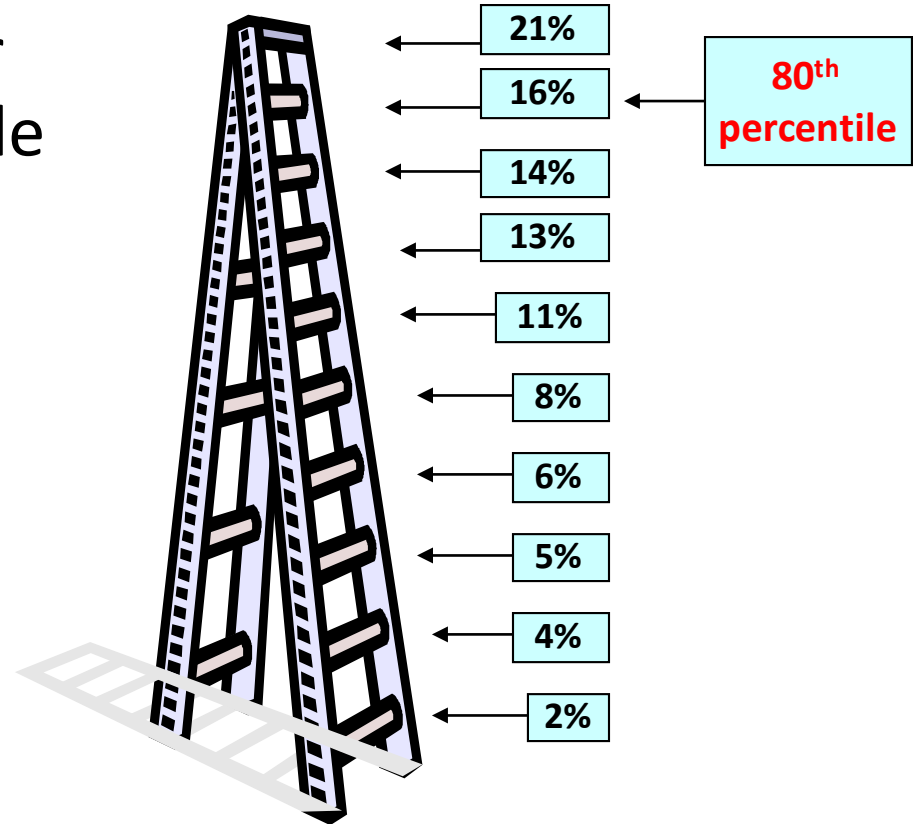
- The target area percent or rate lets the HHA know its billing patterns
- More useful information comes from knowing how it compares to other HHAs, which is why we calculate percentiles
- Definition of a percentile:
 - The percentage of HHAs with a lower target area percent or rate

Percentiles, continued

- To calculate percentiles for all HHAs in a comparison group (nation, jurisdiction or state), the target area percents/rates are sorted from largest to smallest for each time period
- Example
 - If 40% of the HHAs' target area percents/rates were lower than HHA A, then HHA A would be at the 40th percentile

Percentile Calculation Example

- The top two HHAs' percents/rates are at or above the 80th percentile



How are HHAs at Risk Identified?

- An HHA's target area percent/rate is compared to other HHAs' percents/rates in the nation, MAC jurisdiction and state
- If the HHA's target area percent/rate is at/above the national 80th percentile it is identified as at risk for improper Medicare payments
- Compare and Target Area reports:
 - at or above the national 80th percentile for the target area