

Three Basic Statistics

- Count of episodes (numerator and denominator)
- Payments (sum and average)
- Average length of stay

Percents and Percentiles

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

Target Area Statistics

- Numerator – number of episodes of care meeting the numerator definition; will not display if <11
- Denominator – number of episodes of care meeting the 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 PHP for each time period, then multiplying by 100
- Example: 60+ Days of Service:

13 episodes with 60+ days of service at the PHP

25 episodes at the PHP

X 100 = **52%**

Percentiles

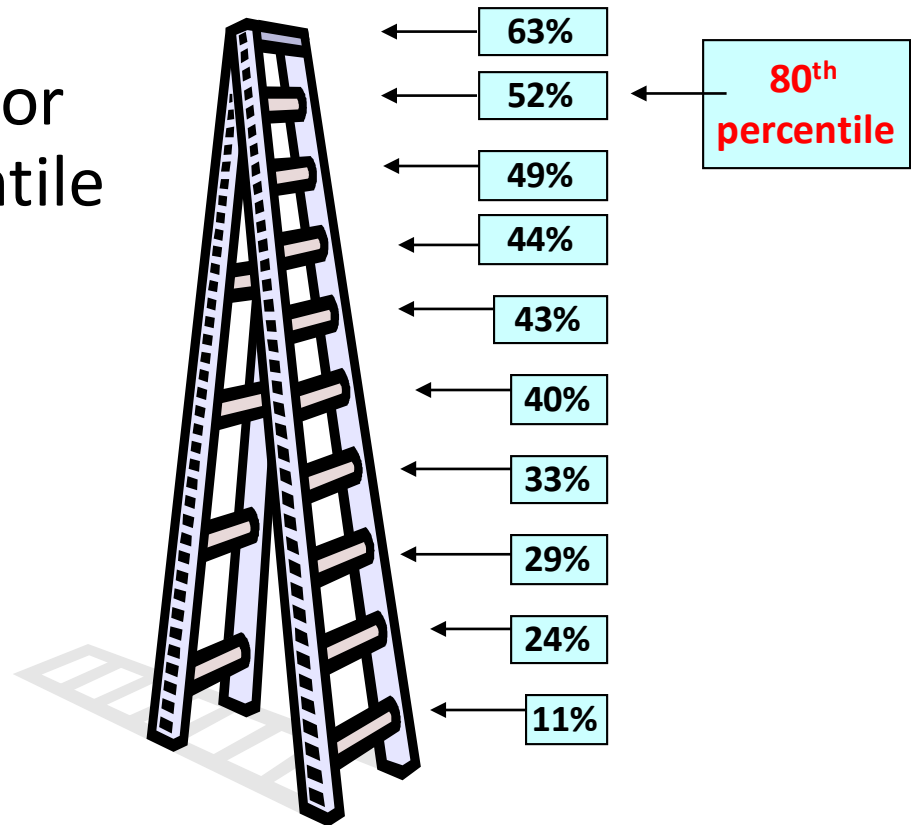
- The target area percent lets the PHP know its billing patterns.
- More useful information comes from knowing how it compares to other PHPs, which is why we calculate percentiles.
- Definition of a percentile:
 - The percentage of PHPs with a lower target area percent

Percentiles, continued

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

Percentile Calculation Example

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



How are PHPs at Risk Identified?

- A provider's target area percent is compared to other providers' percents in the nation, MAC jurisdiction and state.
- If the provider's target area percent is at/above the national 80th percentile or at/below the national 20th 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.