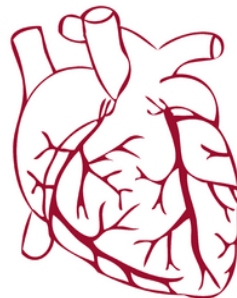


# Three Basic Statistics

- Count of episodes/RUG days of care (numerator and denominator)
- Payments (sum and average)
  - Only available for “90+day Episodes”
- Average length of stay (ALOS)
  - Not available for “Change of Therapy Assessment”

# Percents and Percentiles

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



## Target Area Statistics

- Numerator – count of episodes/RUG days meeting the numerator definition; will not display if <11
- Denominator – count of episodes/RUG days 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 SNF for each time period, then multiplying by 100.
- Example: 90+ Day episodes of care:

**13 episodes of care with 90+ days at the SNF**

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**25 episodes of care at the SNF**

**X 100 = 52%**

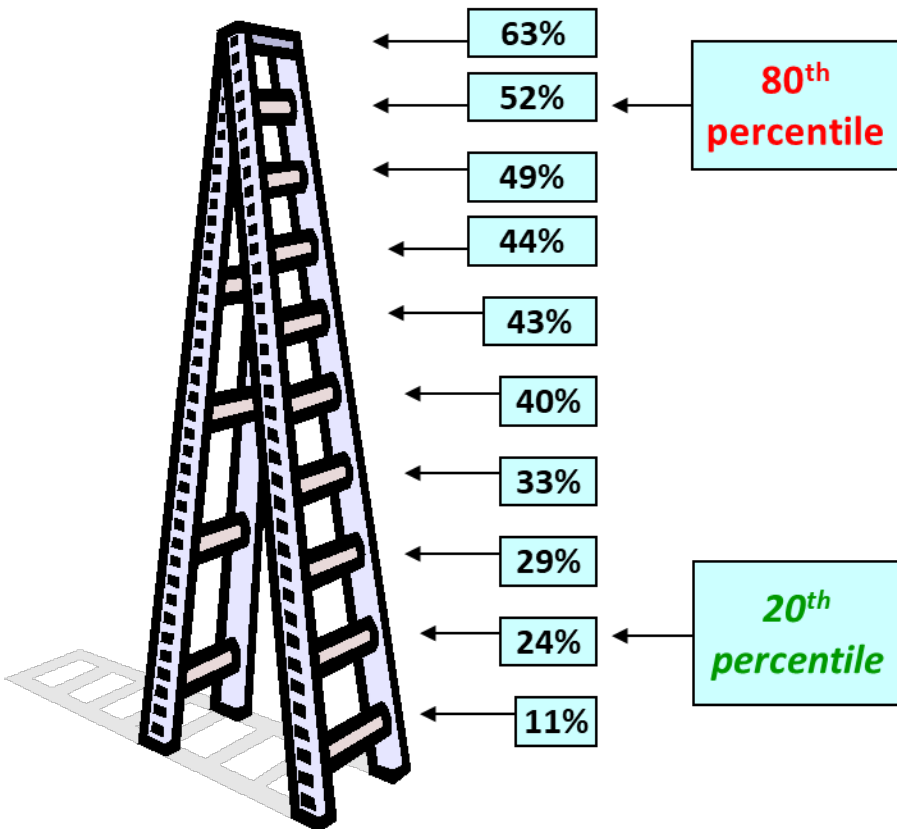
# Percentiles

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

## Percentiles, cont.

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

# Percentile Calculation Example



- The top two SNFs' percents are at or above the 80<sup>th</sup> percentile.
- The bottom two SNFs' percents are at or below the 20<sup>th</sup> percentile (for areas at risk for undercoding only).

# Review: How does PEPPER identify Providers at Risk?

- A provider's target area percent is compared to other providers' percents in the nation, Medicare Administrative Contractor (MAC) jurisdiction and state.
- If the provider's target area percent is at/above the national 80<sup>th</sup> percentile or at/below the national 20<sup>th</sup> percentile, it is identified as at risk for improper Medicare payments.
- Compare and Target Area reports:
  - **Red bold print** – at or above the national 80<sup>th</sup> percentile for the target area
  - *Green italic print* – at or below the national 20<sup>th</sup> percentile for the target area (areas at risk for undercoding only)