PEPPER Sessions Chapter 7 Using PEPPER

During this session, I'm going to review suggestions on how PEPPER can be used to support your operation. Once you receive your PEPPER, the first step is to share it with others in your organization, such as quality improvement, utilization review, health information management, clinical documentation, compliance, finance and administration, clinical staff, and others. Think about who else in your organization might also want be involved. Perhaps if you're a skilled nursing facility, your MDS coordinator. If you're a home health agency think about it pulling in the people who complete the OASIS. If you're an inpatient rehab facility those who complete the IRF-PAI might also be involved. Think about who might help explain the statistics in the PEPPER. It's always a good idea to meet and discuss the data and interpret the findings.

When you're reviewing the PEPPER, start with the Compare Targets report, which is where you can see all of the target areas for the most recent time period. You'll also be able to determine if your provider might be an outlier for any of those target areas, and you'll also see, all on that one worksheet, the total numerator count and the total amount of Medicare reimbursement where that's available. Then you can move on to the target area reports to review detailed statistics for the three years, as well as to obtain suggested intervention for outliers. Refer to the graphs to see how the target area percents might change over time. If that occurs, you might want to look into any unusual increases or decreases in your statistics. Think about what the root cause of an unusual change might be. Review some medical records to determine if there are inappropriate admissions or treatments, coding errors, or opportunities to improve medical record documentation. Strive to be proactive and preventive. The goal is to truly avoid the pay and chase scenario in today's regulatory environment.

So, when tackling the issue of how to prioritize your PEPPER findings, again, start with the compare report. This report does include all of the target areas that have reportable data for the most recent time period, and it will identify if you are a high or a low outlier for that particular target area. Look at the target area reports for the areas that you're an outlier in. Consider your outlier status as compared to nation, jurisdiction, and state.

You might also want to consider the number of target discharges, or the numerator count, as well as the target sum of payments as prioritizing factors. If you're an outlier in a target area that has a large volume of discharges or a large numerator count, or if the sum of Medicare reimbursements is also large, that may merit additional attention.

You might also use the top report in your PEPPER to supplement your analysis. For example, the short-term acute care hospitals can identify the DRGs that have high volumes of one-day stays. Inpatient rehab facilities can identify their top case mixed group. Hospices can identify top terminal diagnoses, as well as the types of live discharges, and so on. Think about how those top reports could help you consider your statistics. Because most providers auditing and monitoring resources are limited, it's important to identify a process within your facility as how you're going to prioritize those areas for future auditing and monitoring, and PEPPER can help with that task.

So let's get into some specifics, now, about how you can use PEPPER. In the coding arena, providers can use PEPPER to support their Coding Accuracy audits. For example, if they are a high or a low outlier in

one of those target areas that's focused on coding accuracy, they can select medical records for a coding review. The results of the audit can be shared in a roundtable discussion format to help promote shared learning. This is a great opportunity to discuss difficult coding issues and strive for internal consistency. Think about, if you're not a short-term acute care hospital, other opportunities to focus on coding accuracy. For example, for inpatient rehab and inpatient psych, coding of comorbidities. Also, it's important to make sure that your coding staff are coding all active diagnoses in accordance with coding guidelines. Remember also, the focus is not only on the risk for over-coding, but also for the risk of under-coding. You might also look at this as an opportunity to assess your documentation for any opportunities for improvement. And there are a couple of success stories from other providers who have used PEPPER to support coding accuracy on the pepper.cbrpepper.org website, on the success stories page. You might also think about using PEPPER to support your efforts to accurately code information that's on the MDS, OASIS, and the IRF-PAI.

PEPPER is also used to support utilization review and quality improvement areas. For example, for those target areas related to re-admission, providers can select records to assess for admission necessity, as well as premature discharge. During a review of medical records, they would want to ensure that the patient's condition at discharge is clearly documented, as well as the patient's discharge status to ensure appropriate reporting of the patient discharge status codes. Some things to ponder-- was the patient's discharge planning process started early enough in the admission? Was the patient's family involved in the care planning process? Were they prepared for post-discharge needs? And so on. This is also an opportunity to look for billing errors. Again, I just mentioned patient discharge status codes, but also consider the hospital site of service codes, occurrence codes, condition codes, for inpatient psychiatric facilities, whether there were any ancillary charges on the claim, those types of things.

And in terms of hospital compliance, many compliance officers review their PEPPER and use it to help guide audits for outlier areas. So, audit results are then used to develop specific action plans to help ensure that documentation supports the patient's treatment, and diagnoses and procedures coded. If opportunities for improvement are identified, the compliance team works to develop a plan-- which might, for example, involve education, revision of documentation or forms, documentation improvements, or revisiting hospital processes and revising them if necessary. Some providers are able to focus their auditing and monitoring effort to make better use of their resources, and we've had a number of providers inform us that PEPPER a helpful way in preparing for recovery auditors.

When you review your PEPPER, a few strategies to consider-- first of all, don't panic. If you see a lot of red or green in your report, remember--these are comparative data reports. Just remember---just because the statistics for your provider are high or low as compared to others, it doesn't mean that any compliance issues exist. The way these target areas and the outlier status are designed, 20% of the providers are always going to be identified as high outliers because they're going to be above the national 80th percentile, and the 20% of providers are always going to be identified as low outliers for the coding focused target areas, so keep that in mind.

But if you are an outlier in any of the target areas, think about why that might be. Is there anything about your patient population that would lead you to expect your statistics to look as they do? Perhaps

referral sources, factor in how your facility is operated, any staffing changes? Have there been new service lines or expertise added? Have you embarked on a campaign to improve documentation?

If the statistics in your PEPPER don't seem to make sense, meet with others, again, in your organization. Discuss your concerns. And it might lead to sampling of claims or medical records, and a small, focused audit. The bottom line is to make sure that you're following best practices in admission and treatment decision, documentation, coding, and ensure that treatment is reasonable and necessary.