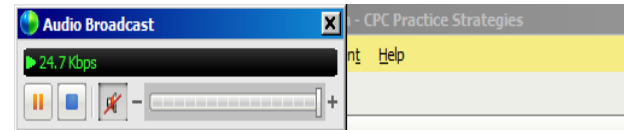


# Thank you for joining us!

- We will start at 1 p.m. CT.
- You will hear silence until the session begins.
- Handout: Available at [PEPPERresources.org](http://PEPPERresources.org) in the CAH “Training and Resources” section.
- A recording of today’s session will be posted at the above location within two weeks.
- Please listen in by either:
  - Using your computer speakers (recommended): You automatically join the audio broadcast when entering the meeting (remember to increase speaker volume; make sure you are not muted).
  - Dialing 1-415-655-0003 (passcode 921 133 940) (limited to 500 callers).





# Q4FY17 Critical Access Hospital (CAH) PEPPER Review

May 16, 2018

Kimberly Hrehor



# About Today's Presentation



Phone lines will be muted the entire duration of the training.



Submit questions using the Q&A panel.



Questions will be answered verbally as time allows at the end of the session.

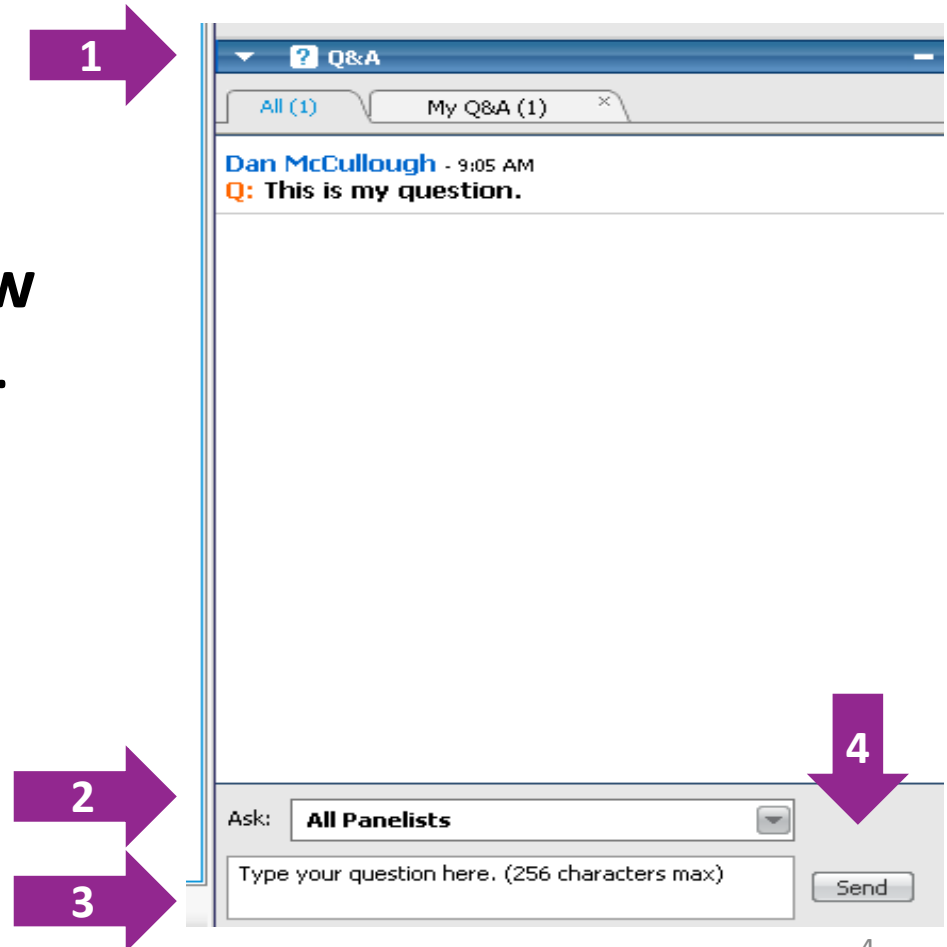


A “Q&A” document will be developed and posted at [PEPPERresources.org](http://PEPPERresources.org) in the CAH “Training and Resources” section.

# To Ask a Question in Split Screen:

*Ask your question in Q&A as soon as you think of it.*

1. Go to the “**Q&A**” window located on the right side.
2. In the “Ask” box, select “All Panelists.”
3. Type in your question.
4. Click the “**Send**” button.



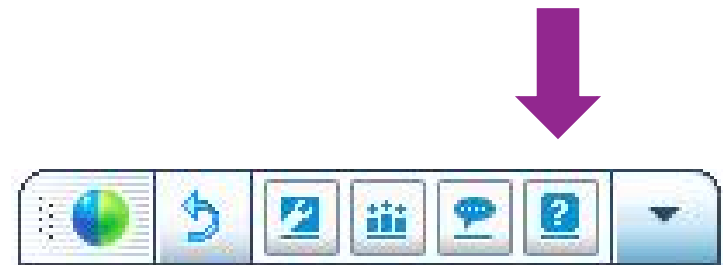
The screenshot shows a web browser window titled "Q&A" with two tabs: "All (1)" and "My Q&A (1)". The main content area displays a question from "Dan McCullough" at 9:05 AM: "Q: This is my question." Below the question is a text input field with the placeholder "Type your question here. (256 characters max)" and a "Send" button. The "Ask:" dropdown menu is set to "All Panelists".

Numbered arrows indicate the steps:

- Arrow 1 points to the "Q&A" window title bar.
- Arrow 2 points to the "Ask:" dropdown menu.
- Arrow 3 points to the text input field.
- Arrow 4 points to the "Send" button.

## To Ask a Question in Full Screen:

1. Click on the “Q&A” button on the floating toolbar to bring up the Q&A window.
2. Type in your question (as in previous slide).
3. Click the “**Send**” button.
4. Click “-” to close window to see full screen again.



# Agenda

- Review the Q4FY17 CAH PEPPER
  - Revised short-stay target areas to exclude patient discharge status codes 02, 20, 82 and 07 from the denominator
  - Revised the “septicemia” denominator to include pneumonia and respiratory failure DRGs
- Review other resources
  - National- and state-level data
  - Peer group bar charts

# PEPPER Details

*To learn more about PEPPER*

Review percents  
and percentiles

Review a  
demonstration  
PEPPER

Access the  
updated recorded  
training sessions  
available in the  
CAH “Training and  
Resources”  
section of  
[PEPPERresources.org](http://PEPPERresources.org)

# What is PEPPER?

## *Program for Evaluating Payment Patterns Electronic Report (PEPPER)*



PEPPER summarizes Medicare claims data statistics for one provider in “target areas” that may be at risk for improper Medicare payments



PEPPER compares the provider’s Medicare claims data statistics with aggregate Medicare data for the nation, MAC jurisdiction and the state



PEPPER cannot identify improper Medicare payments!



## History of PEPPER

- **2003:** Developed by TMF for short-term acute care and later long-term acute care hospitals, it was provided by Quality Improvement Organizations (QIOs) through 2008.
- **2010:** TMF began distributing PEPPERs to all providers in the nation, and then TMF began development of PEPPER for other providers:
  - **2011:** Critical access hospitals, inpatient psychiatric facilities, inpatient rehabilitation facilities
  - **2012:** Partial hospitalization programs and hospices
  - **2013:** Skilled nursing facilities
  - **2015:** Home health agencies

# Why are providers receiving PEPPER?

CMS is tasked with protecting the Medicare Trust Fund from fraud, waste and abuse

The provision of PEPPER supports CMS' program integrity activities

PEPPER is an educational tool that is intended to help providers assess their risk for improper Medicare payments

# Q4FY17 CAH PEPPER Release

*Available April 13, 2018*

Summarizes statistics for three federal fiscal years:

- 2015
- 2016
- 2017

Statistics for all time periods are refreshed with each release

The oldest fiscal year rolls off as the new one is added

## CAH Improper Payment Risks

- CAHs are reimbursed based on cost rather than DRG.
- CAHs treat many of the same types of patients that STCHs do.
- CAH can be at risk for unnecessary admissions.
- Coding errors do not impact CAH reimbursement; however, correct coding is important.
- Most of the CAH PEPPER target areas are the same as those for STCHs.

## PEPPER Target Areas

- Areas identified as potentially at risk for improper Medicare payments (e.g., coding or billing errors, unnecessary admissions)
- Constructed as a ratio:
  - Numerator = discharges identified as potentially problematic (likely to be miscoded or admitted unnecessarily)
  - Denominator = larger reference group that contains the numerator

## CAH PEPPER Target Areas

- Stroke intracranial hemorrhage
- Respiratory infections
- Simple pneumonia
- **Septicemia**
- Medical DRGs with CC or MCC
- Surgical DRGs with CC or MCC
- Single CC or MCC
- Chronic obstructive pulmonary disease
- 3-day SNF-qualifying admissions
- Swing-bed transfers
- 30-day readmissions to same hospital or elsewhere
- 30-day readmissions to same hospital
- **2DS medical DRGs**
- **2DS surgical DRGs**
- **1DS medical DRGs**
- **1DS surgical DRGs**

# Revised Target Areas, 1

| Target Area   | Target Area Definition   |
|---|--|
| <b>Septicemia</b><br><i>*revised</i><br><b>Q4FY17</b> | <i>Numerator (N):</i> count of discharges for DRGs 870, 871, 872<br><br><i>Denominator (D):</i> count of discharges for DRGs <b>193, 194, 195, 207, 208,</b> 689, 690, 870, 871, 872 |

# Revised Target Areas, 2

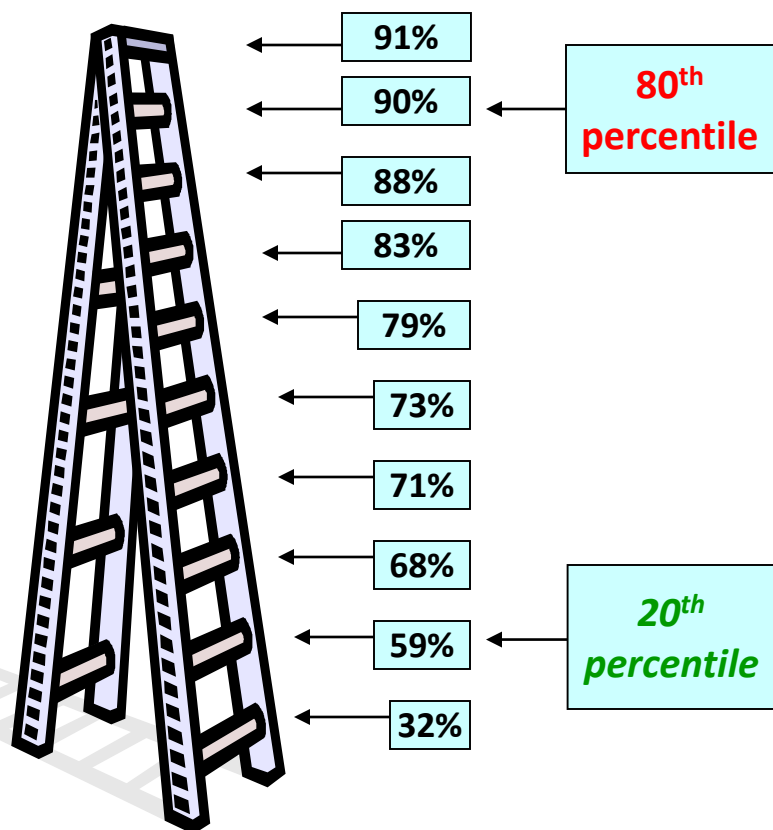
| Target Area                                 | Target Area Definition  |
|---|---|
| <p><b>2-day Stays<br/>Medical DRGs</b></p>  | <p><i>N</i>: count of discharges for medical DRGs with a LOS equal to two days, excl. discharge status codes 02, 82, 07, 20, excl. claims w/ occurrence span code 72 with “through” date on or day prior to inpatient admission</p> <p><i>D</i>: count of discharges for medical DRGs, <b>excl. discharge status codes 02, 82, 07, 20</b>, excl. claims w/ occurrence span code 72 with “through” date on or day prior to inpatient admission</p>   |
| <p><b>2-day Stays<br/>Surgical DRGs</b></p> | <p><i>N</i>: count of discharges for surgical DRGs with a LOS equal to two days, excl. discharge status codes 02, 82, 07, 20, excl. claims w/ occurrence span code 72 with “through” date on or day prior to inpatient admission</p> <p><i>D</i>: count of discharges for surgical DRGs, <b>excl. discharge status codes 02, 82, 07, 20</b>, excl. claims w/ occurrence span code 72 with “through” date on or day prior to inpatient admission</p> |



# Revised Target Areas, 3

| Target Area                          | Target Area Definition   |
|--------------------------------------|--|
| <b>1-day Stays<br/>Medical DRGs</b>  | <p><i>N</i>: count of discharges for medical DRGs with a LOS equal to one day, excl. discharge status codes 02, 82, 07, 20, excl. claims w/ occurrence span code 72 with “through” date on or day prior to inpatient admission</p> <p><i>D</i>: count of discharges for medical DRGs, <b>excl. discharge status codes 02, 82, 07, 20</b>, excl. claims w/ occurrence span code 72 with “through” date on or day prior to inpatient admission</p>   |
| <b>1-day Stays<br/>Surgical DRGs</b> | <p><i>N</i>: count of discharges for surgical DRGs with a LOS equal to one day, excl. discharge status codes 02, 82, 07, 20, excl. claims w/ occurrence span code 72 with “through” date on or day prior to inpatient admission</p> <p><i>D</i>: count of discharges for surgical DRGs, <b>excl. discharge status codes 02, 82, 07, 20</b>, excl. claims w/ occurrence span code 72 with “through” date on or day prior to inpatient admission</p> |

# Percentile Calculation Example



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

## How does PEPPER apply to providers?



PEPPER is a roadmap to help you identify potentially vulnerable or improper payments



Providers are not required to use PEPPER or to take any action in response to their PEPPER statistics



**But:** Why not take advantage of this free comparative report provided by CMS?

## Obtaining Your PEPPER

- PEPPER is distributed via QualityNet (QN) to QN administrators and those with basic QN accounts and the PEPPER recipient role.
  - If there is no QualityNet administrator at your hospital, or if your hospital's QualityNet administrator needs assistance, contact the QualityNet Help Desk at [www.qualitynet.org](http://www.qualitynet.org)
- PEPPER cannot be sent via email.
- CAH PEPPER will be distributed annually.

# Strategies to Consider

- Do not panic!
  - Outlier status does not necessarily mean that compliance issues exist.
- But: Determine why you are an “outlier”
  - Do the statistics reflect your operation? Specialized programs/services? Patient population? Referral sources? Health care environment? Verify by:
    - Sampling claims, reviewing documentation in medical record, MDS
    - Reviewing claim; was it coded and billed appropriately based upon documentation in medical record and MDS?
- Ensure you are following best practices, even if you are not an outlier.

## Aggregate Data

- National-level and state-level data is available at [PEPPERresources.org](http://PEPPERresources.org) on the “Data” page.
  - Target areas
  - Top DRGs
- Updated annually following each report release.

## Peer Groups

- Allows comparison of PEPPER statistics to “peers.”
- For each of the target areas, identifies the 20th, 50th and 80th national percentile for CAHs in three categories:
  - Size (number of discharges)
  - Location (urban vs. rural)
  - Ownership type (profit/physician owned vs. nonprofit/church vs. government)

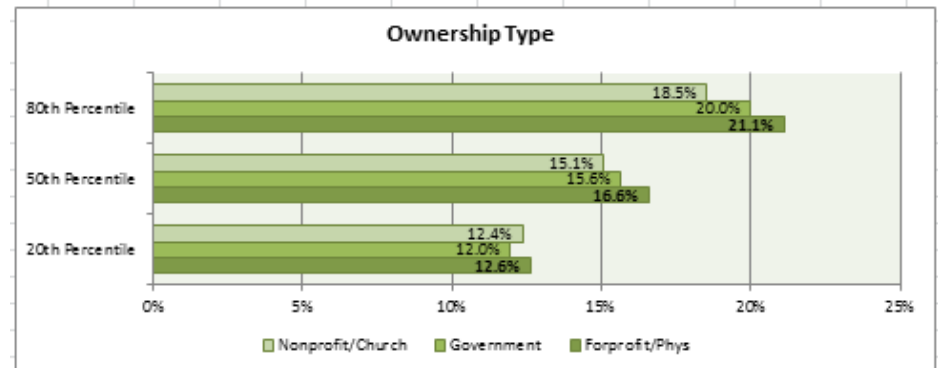
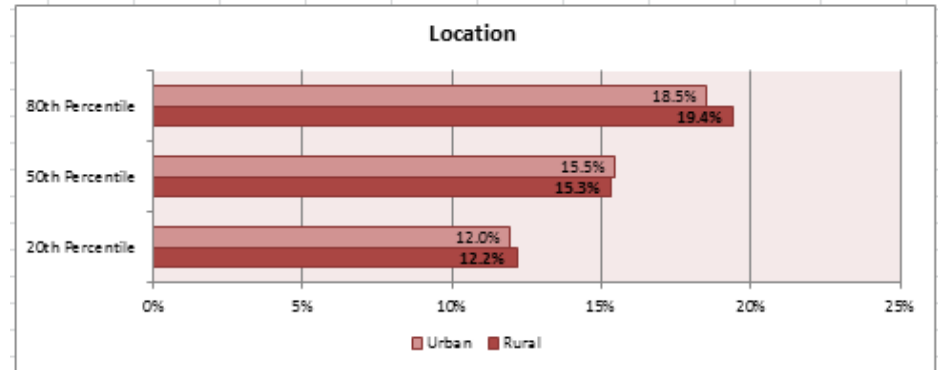
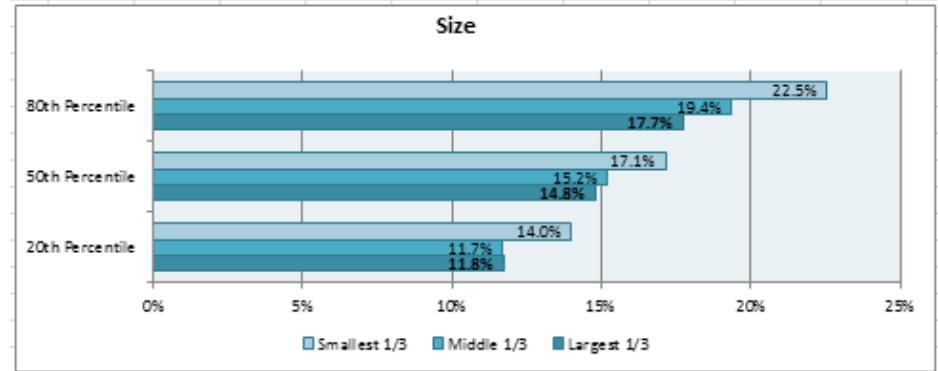
## Peer Group Bar Charts

- Will be updated annually.
- Refer to “Methodology” and “CAHs by Peer Group” files for additional details.
- Disagree with your ownership type or location?
  - Contact your CMS Regional Office Coordinator with any updates/corrections: <https://www.cms.gov/About-CMS/Agency-Information/RegionalOffices/index.html>



# Example: “Readmissions Same/Elsewhere”

Target Area: 30-day Readmissions to Same Hospital or Elsewhere



# Available on the [PEPPERresources.org](https://pepperresources.org) “Training and Resources” Page

- PEPPER User’s Guide
- Jurisdictions spreadsheet
- Recorded PEPPER training sessions
- Sample CAH PEPPER
- History of target area changes and impact

## For Assistance with PEPPER



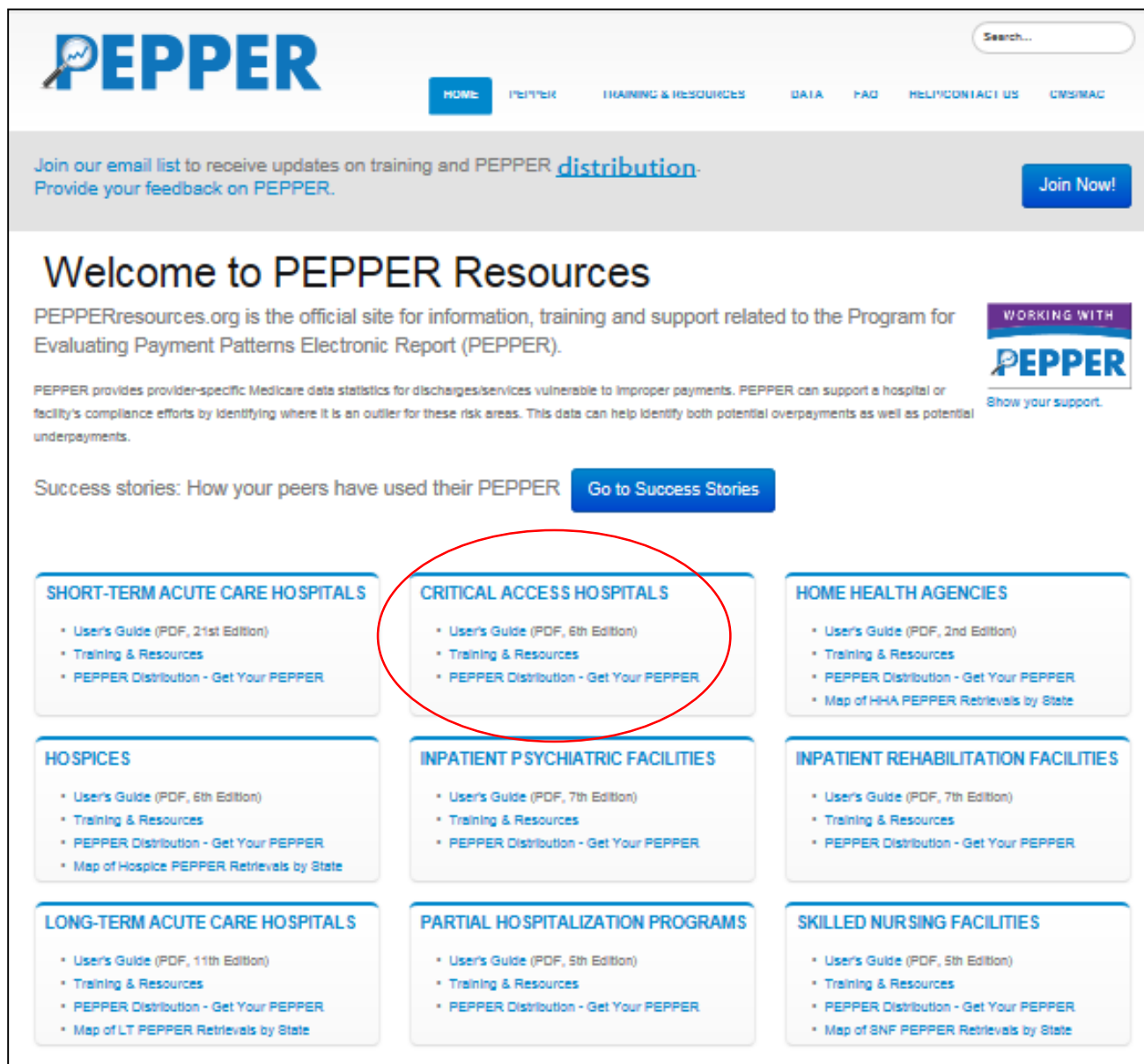
If you have questions or need individual assistance, click on “Help/Contact Us,” and submit your request through the Help Desk



Complete the form, and a TMF staff member will respond promptly to assist you



Please do **not** contact any other organization for assistance with PEPPER



The screenshot shows the PEPPER Resources website. At the top left is the PEPPER logo. To its right is a search bar. Below the logo is a navigation menu with links for HOME, PEPPER, TRAINING & RESOURCES, DATA, FAQ, HELLO/CONTACT US, and CMS/AC. A banner below the navigation asks users to join an email list for updates on training and PEPPER distribution, with a 'Join Now!' button. The main heading is 'Welcome to PEPPER Resources'. Below this is a paragraph explaining that PEPPERresources.org is the official site for information, training, and support related to the Program for Evaluating Payment Patterns Electronic Report (PEPPER). To the right of this text is a 'WORKING WITH PEPPER' logo and a 'Show your support.' link. A paragraph below explains that PEPPER provides provider-specific Medicare data statistics for discharges/services vulnerable to improper payments. Below this is a 'Success stories: How your peers have used their PEPPER' section with a 'Go to Success Stories' button. The main content area consists of nine cards, each representing a different facility type. The 'CRITICAL ACCESS HOSPITALS' card is circled in red. Each card lists resources such as 'User's Guide (PDF, [Edition])', 'Training & Resources', and 'PEPPER Distribution - Get Your PEPPER'. Some cards also include a 'Map of [Facility Type] PEPPER Retrievals by State'.

**PEPPER**

Search...

HOME PEPPER TRAINING & RESOURCES DATA FAQ HELLO/CONTACT US CMS/AC

Join our email list to receive updates on training and PEPPER [distribution](#).  
Provide your feedback on PEPPER. [Join Now!](#)

## Welcome to PEPPER Resources

PEPPERresources.org is the official site for information, training and support related to the Program for Evaluating Payment Patterns Electronic Report (PEPPER).

**WORKING WITH PEPPER**  
Show your support.

PEPPER provides provider-specific Medicare data statistics for discharges/services vulnerable to improper payments. PEPPER can support a hospital or facility's compliance efforts by identifying where it is an outlier for these risk areas. This data can help identify both potential overpayments as well as potential underpayments.

Success stories: How your peers have used their PEPPER [Go to Success Stories](#)

- SHORT-TERM ACUTE CARE HOSPITALS**
  - User's Guide (PDF, 21st Edition)
  - Training & Resources
  - PEPPER Distribution - Get Your PEPPER
- CRITICAL ACCESS HOSPITALS**
  - User's Guide (PDF, 6th Edition)
  - Training & Resources
  - PEPPER Distribution - Get Your PEPPER
- HOME HEALTH AGENCIES**
  - User's Guide (PDF, 2nd Edition)
  - Training & Resources
  - PEPPER Distribution - Get Your PEPPER
  - Map of HHA PEPPER Retrievals by State
- HOSPICES**
  - User's Guide (PDF, 6th Edition)
  - Training & Resources
  - PEPPER Distribution - Get Your PEPPER
  - Map of Hospice PEPPER Retrievals by State
- INPATIENT PSYCHIATRIC FACILITIES**
  - User's Guide (PDF, 7th Edition)
  - Training & Resources
  - PEPPER Distribution - Get Your PEPPER
- INPATIENT REHABILITATION FACILITIES**
  - User's Guide (PDF, 7th Edition)
  - Training & Resources
  - PEPPER Distribution - Get Your PEPPER
- LONG-TERM ACUTE CARE HOSPITALS**
  - User's Guide (PDF, 11th Edition)
  - Training & Resources
  - PEPPER Distribution - Get Your PEPPER
  - Map of LT PEPPER Retrievals by State
- PARTIAL HOSPITALIZATION PROGRAMS**
  - User's Guide (PDF, 5th Edition)
  - Training & Resources
  - PEPPER Distribution - Get Your PEPPER
- SKILLED NURSING FACILITIES**
  - User's Guide (PDF, 5th Edition)
  - Training & Resources
  - PEPPER Distribution - Get Your PEPPER
  - Map of SNF PEPPER Retrievals by State

# Questions?

- “Help Desk” at [PEPPERresources.org](https://www.pepperresources.org)