




**PEPPER for Home Health Agencies
and Skilled Nursing Facilities:
Practical Applications for Compliance**

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Agenda

- What is PEPPER?
- Focus: HHA PEPPER
- Focus: SNF PEPPER
- Using internal data to guide operational changes
- Questions and Answers
- Target area listings for other providers




**Program for Evaluating Payment
Patterns Electronic Report**

Providers are Under Focus:

- ▶ Office of Inspector General Work Plan
- ▶ Recovery Auditors, Medicare Administrative Contractors, Supplemental Medical Review Contractors, etc.
- ▶ Per CERT, error rates increased 2014 to 2015:
 - HHAs 51% to 59% (projected \$10 billion in error)
 - SNFs 7% to 10% (projected \$3.5 billion in error)
- ▶ Would you like to know if your statistics might be a red flag to auditors?


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 **Program for Evaluating Payment Patterns Electronic Report**

What is PEPPER?

- ▶ **Program for Evaluating Payment Patterns Electronic Report (PEPPER)**
- ▶ **Free** report sponsored by CMS that summarizes Medicare claims data statistics for one provider in areas (“target areas”) that are at risk for improper Medicare payments.
- ▶ PEPPER compares the provider’s statistics with aggregate Medicare data for all other providers in the nation, MAC jurisdiction and state.
- ▶ PEPPER cannot identify improper Medicare payments!


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 **Program for Evaluating Payment Patterns Electronic Report**

What is PEPPER?

- ▶ PEPPER is available for:
 - Long-term acute care hospitals
 - Critical access hospitals
 - Inpatient psychiatric facilities
 - Inpatient rehabilitation facilities
 - Partial hospitalization programs
 - Hospices
 - Skilled nursing facilities
 - Home health agencies

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 **Program for Evaluating Payment Patterns Electronic Report**

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.

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PEPPER Program for Evaluating Payment Patterns Electronic Report

What does my PEPPER include?

- ▶ For the target areas:
 - Summarizes Medicare claims data
 - Most recent three years
 - Statistics include target area percent, Medicare reimbursement, length of stay
 - Shows how the provider compares to nation, jurisdiction, state

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HHA PEPPER Target Areas

Target Area	Target Area Definition
Outlier Payments	<i>N</i> : dollar amount of outlier payments received by the HHA during the report period <i>D</i> : dollar amount of total payments received by the HHA during the report period
Average Number of Episodes	<i>N</i> : count of claims paid to the HHA during the report period <i>D</i> : count of beneficiaries served by the HHA during the report period
Average Case Mix	<i>N</i> : sum of case mix weight for all claims paid to the HHA during the report period, excluding LUPAs and PEPs <i>D</i> : count of claims paid to the HHA during the report period, excluding LUPAs and PEPs

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HHA PEPPER Target Areas, cont.

Target Area	Target Area Definition
Episodes with 5 or 6 Visits	<i>N</i> : count of claims with 5 or 6 visits paid to the HHA during the report period <i>D</i> : count of claims paid to the HHA during the report period
Non-LUPA Payments	<i>N</i> : count of claims paid to the HHA that did not have a LUPA payment during the report period <i>D</i> : count of claims paid to the HHA during the report period
High Therapy Utilization Episodes	<i>N</i> : count of claims with 20+ therapy visits paid to the HHA during the report period (first digit of HHRG equal to '5') <i>D</i> : count of claims paid to the HHA during the report period

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Benchmarking

A standard by which something can be measured or judged.

First used by cobblers - Foot was placed on a "bench" and "marked" to make the pattern for shoes.

Now used to measure performance.

"A specific indicator resulting in a metric of performance that is then compared to others."

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Medicare Utilization – What to benchmark?

Part A and B Utilization Data and Statistics

- RUG Days comparison
- Acuity statistics using ADL score
- UB04 Resident Status Code summary
- Return to Hospital
- Part B Utilization

This can provide

- Length of stay
- Length of stay by diagnosis
- Diagnosis codes ranked by LOS, by number of residents, and by physician
- Assessment Reference Date Management
- Revenue per episode of care

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		Community Dashboard											
		Current Report Period 10/1/2015 - 12/31/2015				7/1/2015 - 9/30/2015			4/1/2015 - 6/30/2015			1/1/2015 - 12/31/2015	
		Community AVG	Corporate AVG	Polaris Group AVG	Community AVG	Corporate AVG	Polaris Group AVG	Community AVG	Corporate AVG	Polaris Group AVG	Community AVG	Corporate AVG	Polaris Group AVG
Length of Stay													
Avg LOS		21.30	25.65	27.17	21.86	25.27	27.70	20.27	25.09	28.19	21.34	25.42	27.62
RUGs													
RU		84.02%	66.34%	58.42%	79.77%	64.74%	59.84%	74.83%	66.73%	59.01%	79.89%	65.12%	58.88%
RV		9.98%	18.83%	26.87%	14.71%	20.53%	25.48%	16.11%	19.30%	26.02%	13.60%	20.02%	26.82%
RH		0.73%	6.48%	6.68%	2.83%	6.03%	6.30%	1.59%	5.43%	6.79%	1.97%	6.20%	6.73%
RM		0.02%	2.63%	2.87%	0.14%	2.65%	2.84%	0.22%	2.43%	2.83%	0.13%	2.73%	2.84%
RL		0.02%	0.02%	0.04%	0.00%	0.02%	0.03%	0.00%	0.03%	0.02%	0.00%	0.02%	0.03%
(Non-Rehab)		5.11%	5.69%	5.13%	2.85%	5.64%	5.42%	7.28%	6.09%	6.34%	4.41%	5.83%	5.29%
DRA													
X		6.24%	2.61%	0.91%	5.02%	2.47%	0.97%	6.48%	2.62%	1.00%	5.13%	2.48%	1.00%
L		0.02%	0.89%	0.63%	0.02%	1.88%	0.83%	0.02%	1.99%	0.93%	0.02%	1.42%	0.84%
C		68.95%	45.34%	33.77%	72.82%	49.03%	33.57%	50.56%	45.56%	33.49%	63.15%	46.46%	33.50%
B		13.12%	25.14%	38.64%	17.56%	24.78%	39.18%	12.92%	26.06%	38.80%	17.96%	26.33%	39.33%
A		11.72%	26.02%	26.05%	4.39%	22.14%	25.48%	30.07%	24.16%	25.71%	13.76%	23.32%	25.33%
Therapy													
Change of Therapy(COT)		7.59%	8.40%	12.60%	5.00%	9.38%	12.47%	2.33%	8.79%	12.46%	5.94%	9.52%	12.70%
Recharge/Qualification													
Return to Hospital		19.18%	14.38%	12.01%	27.91%	16.30%	13.22%	22.88%	15.91%	13.09%	26.87%	18.72%	16.02%
Discharged to home		46.67%	44.98%	50.56%	17.86%	39.41%	49.34%	40.91%	43.44%	49.24%	38.53%	42.31%	49.90%

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RUG Distribution by RUG Group

Group Classification	Current Quarter 10/1/2015 - 12/31/2015				Previous Quarter 7/1/2015 - 9/30/2015				Rolling 12 Months 1/1/2015 - 12/31/2015							
	Community		Corporate		State		Public Group		Community		Corporate		State		Public Group	
	Days	%	Days	%	Days	%	Days	%	Days	%	Days	%	Days	%	Days	%
Rehabilitation + Extensive	40	6.34	1151	3.48	3.34	1.53	39	5.52	1314	4.02	4.03	1.79	122	5.12	1.83	Sample
Rehabilitation	568	88.62	2869	90.82	91.03	93.14	690	91.94	2958	90.34	90.53	92.58	2150	90.47	92.89	Sample
Extensive Services	-	-	122	0.39	0.35	0.39	1	0.14	248	0.82	0.74	0.54	5	0.21	0.47	Sample
Special Care High	26	4.06	339	1.07	0.99	1.05	1	0.14	299	0.79	0.73	1.05	30	1.26	1.06	Sample
Special Care Low	-	-	598	1.89	1.86	1.73	3	0.42	614	1.88	1.91	1.79	29	1.22	1.74	Sample
Clinically Complex	7	1.09	437	1.38	1.39	1.21	6	0.85	427	1.31	1.26	1.27	26	1.09	1.26	Sample
Behavioral Symptoms & Cognitive Performance	-	-	10	0.03	0.14	0.08	-	-	56	0.17	0.17	0.08	-	-	0.08	Sample
Reduced Physical Function	-	-	292	0.92	0.85	0.66	7	0.99	219	0.67	0.64	0.68	15	0.63	0.66	Sample
Default - AAA	-	-	1	0.00	0.04	0.22	-	-	4	0.01	0.03	0.23	-	-	0.20	Sample

State numbers only include communities that subscribe to the RUG database in that State

Extensive Services

Extensive Services While A Resident

Sample
10/1/2015 - 12/31/2015

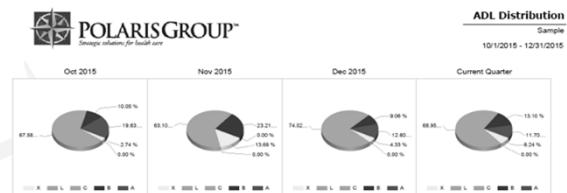
Current Quarter 10/1/2015 - 12/31/2015

PCR	Admit Date	Discharge Date	RUG	Principal Diagnosis	Description	Additional Diagnosis	Description	Code 99 Prior Inpatient Stay	LOS	Trach	Vent	Int
Sample	10/26/2015	10/31/2015	RUX	A047	Enterococci due to Clostridium difficile	R1184 R279	Cognitive communication deficit Unspecified lack of coordination	10/18/2015 - 10/26/2015	5			
Sample	11/18/2015	11/26/2015	RUX RXX	A047	Enterococci due to Clostridium difficile	R279 R211	Unspecified lack of coordination Dysphagia, oral phase	11/05/2015 - 11/18/2015	12			
Sample	10/26/2015	11/11/2015	RUX	A047	Enterococci due to Clostridium difficile	R1184 R279	Cognitive communication deficit Unspecified lack of coordination	10/18/2015 - 10/26/2015	16			
Sample	11/18/2015	12/03/2015	RUX	A047	Enterococci due to Clostridium difficile	R279 R211	Unspecified lack of coordination Dysphagia, oral phase	11/05/2015 - 11/18/2015	15			
Sample	12/11/2015	12/27/2015	RXX	U0318	Consults of other sites	R111 R02	Dysphagia, oral phase Difficulty in walking, not elsewhere classified	12/06/2015 - 12/11/2015	16			

* For Community Use

ADL Scores

ADL Distribution



ADL Distribution

ADL Level	Current Quarter 10/1/2015 - 12/31/2015				Previous Quarter 7/1/2015 - 9/30/2015				Rolling 12 Months 1/1/2015 - 12/31/2015							
	Community		Corporate		State		Public Group		Community		Corporate		State		Public Group	
	Days	%	Days	%	Days	%	Days	%	Days	%	Days	%	Days	%	Days	%
X	40	6.34	822	2.61	0.91	39	5.52	802	2.47	0.97	122	5.13	3158	2.48	1.00	Sample
L	-	-	279	0.89	0.63	-	-	512	1.58	0.80	-	-	1793	1.40	0.84	Sample
C	442	68.95	14270	45.34	33.77	512	72.52	19504	49.03	33.97	1501	63.15	56056	46.44	33.50	Sample
B	84	13.10	7914	25.14	38.64	124	17.50	8038	24.78	39.16	427	17.96	33472	26.33	39.33	Sample
A	75	11.70	8190	26.02	26.05	31	4.39	7181	22.14	25.48	327	13.76	29039	23.32	25.33	Sample

Case Management

NPI	Organization	Specialty	Assessment 1				Assessment 2				Assessment 3				Assessment 4				Assessment 5				>5
			Start	End	Days	Rate	Start	End	Days	Rate	Start	End	Days	Rate	Start	End	Days	Rate	Start	End	Days	Rate	
Sample	1000000000	1000000000	10/1/2015	10/1/2015	8	14	RUA10	10/19/2015	10/19/2015	15	10	RUJ20											
Sample	1000000000	1000000000	10/1/2015	10/1/2015	8	14	RUC10	10/23/2015	10/23/2015	15	7	RUJ20											
Sample	1000000000	1000000000	10/1/2015	10/1/2015	8	14	RUC10	12/30/2015	12/30/2015	15	2	RUC30											
Sample	1000000000	1000000000	10/1/2015	10/1/2015	8	14	RUC10	12/28/2015	12/28/2015	15	12	RUC30											
Sample	1000000000	1000000000	10/1/2015	10/1/2015	8	10	RUC10																
Sample	1000000000	1000000000	11/11/2015	11/11/2015	8	14	RUC10	11/09/2015	11/09/2015	15	3	RUJ20											
Sample	1000000000	1000000000	11/06/2015	11/06/2015	8	14	RUC10	11/13/2015	11/13/2015	15	12	RUJ20											
Sample	1000000000	1000000000	10/16/2015	10/16/2015	5	1	CC117																
Sample	1000000000	1000000000	10/27/2015	10/27/2015	8	14	RUC10	11/03/2015	11/03/2015	15	4	RUC30											
Sample	1000000000	1000000000	10/15/2015	10/15/2015	8	14	RUC10	10/26/2015	10/26/2015	15	8	RUJ20											
Sample	1000000000	1000000000	10/22/2015	10/22/2015	8	14	RUC10	10/29/2015	10/29/2015	15	15	RUC30											
Sample	1000000000	1000000000	10/29/2015	10/29/2015	4	1	CC117																
Sample	1000000000	1000000000	11/04/2015	11/04/2015	8	14	RUC10	11/11/2015	11/11/2015	15	4	RUC30											
Sample	1117/2015	12/16/2015	20	11/24/2015	8	14	RUC10	12/01/2015	12/01/2015	15	15	RUJ20											
Sample	1113/2015	12/02/2015	22	11/17/2015	8	14	RUC10	11/24/2015	11/24/2015	15	8	RUJ20											
Sample	1112/2015	12/01/2015	19	11/16/2015	8	14	RUC10	11/06/2015	11/06/2015	15	5	RUJ20											
Sample	12/02/2015			12/09/2015	8	14	RUC10	12/16/2015	12/16/2015	15	10	RUJ20											
Sample	1110/2015	11/26/2015	15	11/17/2015	8	14	RUC10	11/24/2015	11/24/2015	15	2	RUC30											

Case Management

Sample	Start Date	End Date	Days	Rate	Code	Start Date	End Date	Days	Rate	Code	Start Date	End Date	Days	Rate	Code	Start Date	End Date	Days	Rate	Code		
Sample	10/05/2015	10/26/2015	24	10/12/2015	8	14	RUA10	10/19/2015	10/19/2015	15	10	RUJ20										
Sample	11/18/2015	12/03/2015	15	11/25/2015	8	8	RUC10	12/03/2015	12/03/2015	15	7	RUJ20										
Sample	12/16/2015			12/23/2015	8	14	RUC10	12/30/2015	12/30/2015	15	2	RUC30										
Sample	12/14/2015			12/21/2015	8	14	RUC10	12/28/2015	12/28/2015	15	12	RUC30										
Sample	12/07/2015	12/17/2015	10	12/14/2015	8	10	RUC10															
Sample	10/26/2015	11/11/2015	16	11/02/2015	8	14	RUC10	11/09/2015	11/09/2015	15	3	RUJ20										
Sample	10/30/2015	11/25/2015	26	11/06/2015	8	14	RUC10	11/13/2015	11/13/2015	15	12	RUJ20										
Sample	10/12/2015	10/16/2015	4	10/16/2015	5	1	CC117															
Sample	10/20/2015	11/07/2015	18	10/27/2015	8	14	RUC10	11/03/2015	11/03/2015	15	4	RUC30										
Sample	10/15/2015	10/31/2015	16	10/22/2015	8	8	RUC10	10/26/2015	10/26/2015	15	8	RUJ20										
Sample	10/15/2015	11/13/2015	29	10/22/2015	8	14	RUC10	10/29/2015	10/29/2015	15	15	RUC30										
Sample	10/26/2015	10/29/2015	3	10/29/2015	4	1	CC117															
Sample	10/28/2015	11/10/2015	14	11/04/2015	8	14	RUC10	11/11/2015	11/11/2015	15	4	RUC30										
Sample	11/17/2015	12/16/2015	29	11/24/2015	8	14	RUC10	12/01/2015	12/01/2015	15	15	RUJ20										
Sample	11/10/2015	12/02/2015	22	11/17/2015	8	14	RUC10	11/24/2015	11/24/2015	15	8	RUJ20										
Sample	11/12/2015	12/01/2015	19	11/16/2015	8	14	RUC10	11/06/2015	11/06/2015	15	5	RUJ20										
Sample	12/02/2015			12/09/2015	8	14	RUC10	12/16/2015	12/16/2015	15	10	RUJ20										
Sample	11/10/2015	11/26/2015	16	11/17/2015	8	14	RUC10	11/24/2015	11/24/2015	15	2	RUC30										

Using your Medicare Utilization Statistics

- Potential Action/Recommendations
 - Audit target Diagnosis or RUG Level
 - Medical Necessity
 - Documentation
 - MDS Accuracy
 - UB04 completion
 - Length of stay

2014 Facility Data to PEPPER Ultra High Therapy RUG

- High outlier at 83.9 %ile
- Big jump in Ultra High between FY13 to FY14 (55.5% to 59.0% to 75.7%).

KIT:

- Supports PEPPER – 71.45% (Ultra and Ultra Ext) rolling 12 months
- PEPPER at 75.7%

Recommend:

- Therapy audit
- Ensure that therapy that is provided is reasonable and medically necessary
- Ensure that the amount of therapy reported on the MDS is supported by medical record documentation

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2014 Facility Data to PEPPER


SNF Top RUGs for All Episodes of Care

- Shows all therapy RUG categories mostly in the “C” ADL split or 68.9% billed at either “C” or “X”.
- ALOS 27.8 days for Ultra High which is longer than other RUG categories (could be a red flag)
- Billing a little over half in Ultra High C (51.6%)
- Billing a total of 74% Ultra High overall

KIT:

- Supports PEPPER showing 71.45% Ultra High
- Supports PEPPER showing 3.52% Non-R RUGs
- PEPPER - .8% Non-R RUG days billed

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SNF PEPPER Target Areas

	Target Area	Target Area Definition
Coding of ADL	Therapy RUGs with High ADL	N: count of days billed with RUG equal to RUX, RVX, RHX, RMX, RUC, RVC, RHC, RMC, RLB D: count of days billed for all therapy RUGs
	Nontherapy RUGs with High ADL	N: count of days billed with RUG equal to SSC, CC2, CC1, BB2, BB1, PE2, PE1, IB2, IB1 in RUG III; HE2, HE1, LE2, LE1, CE2, CE1, BB2, BB1, PE2, PE1 in RUG IV D: count of days billed for all nontherapy RUGs
	Change of Therapy Assessment	N: count of assessments with AI second digit “D” D: count of all assessments


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SNF PEPPER Target Areas, 2

Target Area	Target Area Definition
Ultrahigh Therapy RUGs	<i>N</i> : count of days billed with RUG equal to RUX, RUL, RUC, RUB, RUA <i>D</i> : count of days billed for all therapy RUGs
90+ Day Episodes of Care	<i>N</i> : count of episodes of care at the SNF with LOS 90+ days <i>D</i> : count of all episodes of care at the SNF

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**Program for Evaluating Payment
Patterns Electronic Report**

How do I obtain my PEPPER?

▶ HHAs and most SNFs:

- Electronically via the PEPPER Resources Portal
- Visit **PEPPERresources.org**
- Click on the “PEPPER Distribution – Get Your PEPPER” link
- Review instructions and access portal
- Each release of will be available for approximately two years from the original release date

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Join our e-mail 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).

PEPPER provides provider-specific Medicare data estimates for charges/services submitted to Medicare payments. PEPPER can support a hospital or health system's compliance efforts by identifying where it is an outlier to their rate area. This data can help identify both potential overpayments as well as potential underpayments.


SHORT-TERM ACUTE CARE HOSPITALS <ul style="list-style-type: none">• User's Guide (PDF, 13th Edition)• Training & Resources• PEPPER Distribution - Get Your PEPPER	CRITICAL ACCESS HOSPITALS <ul style="list-style-type: none">• User's Guide (PDF, 3rd Edition)• Training & Resources• PEPPER Distribution - Get Your PEPPER	HOME HEALTH AGENCIES <ul style="list-style-type: none">• Coming Soon! More details including report distribution schedule will be added as they become available.
HOSPICES <ul style="list-style-type: none">• User's Guide (PDF, 3rd Edition)• Training & Resources• PEPPER Distribution - Get Your PEPPER	INPATIENT PSYCHIATRIC FACILITIES <ul style="list-style-type: none">• User's Guide (PDF, 4th Edition)• Training & Resources• PEPPER Distribution - Get Your PEPPER	INPATIENT REHABILITATION FACILITIES <ul style="list-style-type: none">• User's Guide (PDF, 4th Edition)• Training & Resources• PEPPER Distribution - Get Your PEPPER
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 **Program for Evaluating Payment Patterns Electronic Report**

For assistance with PEPPER:


- ▶ Visit PEPPERresources.org for the PEPPER User's Guide and training materials.
- ▶ Submit request for assistance at PEPPERresources.org "Help/Contact Us" tab.

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 **Program for Evaluating Payment Patterns Electronic Report**

Strategies to Consider...

- ▶ **Do Not Panic!**
 - Indication of high outlier does not necessarily mean that compliance issues exist.
- ▶ **But: Determine Why You are an "Outlier"**
 - Sample claims using same inclusion criteria.
 - Review documentation in medical record.
 - Review claim; was it coded and billed appropriately based upon documentation in medical record?
- ▶ **Ensure following best practices, even if not an outlier.**

 **Program for Evaluating Payment Patterns Electronic Report**

Questions?

- ▶ "Help/Contact Us" at PEPPERresources.org
