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

April 19, 2016
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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

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?
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!

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

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.
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
What is PEPPER?

It is all about “what was”, not “what is to be”!

Ahead of PEPPER

- PEPPER is derived from claims data
  - Can be up to 16 months old when distributed
  - Information should not be a surprise
- Facility has claims data
  - Do you analyze your own data?
  - What can your data tell you when compared to PEPPER?
  - How do you make your data meaningful?
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
### Case Management

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Patient ID</th>
<th>Diagnosis</th>
<th>RUG Level</th>
<th>Admission</th>
<th>Length of Stay</th>
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<tbody>
<tr>
<td>1/1/2015</td>
<td>12:00</td>
<td>12345</td>
<td>001</td>
<td>1A</td>
<td>12/01/14</td>
<td>12 days</td>
</tr>
<tr>
<td>1/3/2015</td>
<td>08:00</td>
<td>67890</td>
<td>002</td>
<td>2B</td>
<td>01/01/15</td>
<td>10 days</td>
</tr>
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<td>1/4/2015</td>
<td>14:00</td>
<td>11111</td>
<td>003</td>
<td>3C</td>
<td>02/01/15</td>
<td>14 days</td>
</tr>
</tbody>
</table>

### 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 (55.3% to 59.0% to 75.7%).

KIT:
- Supports PEPPER at 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

2014 Facility Data to PEPPER

SNF Top RUGs for All Episdes 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

SNF PEPPER Target Areas

<table>
<thead>
<tr>
<th>Coding of ADL</th>
<th>Target Area</th>
<th>Target Area Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Therapy RUGs with High ADL</td>
<td>N: count of days billed with RUG equal to RUX, RVX, RHX, RMX, RJC, RVC, RMC, RLB</td>
<td>D: count of days billed for all therapy RUGs</td>
</tr>
<tr>
<td>Nontherapy RUGs with High ADL</td>
<td>N: count of days billed with RUG equal to SSC, CC2, CC1, BB2, BB1, PE2, PE1, IB2, IB1 in RUG II; HE2, HE1, LE2, LE1, CE2, CE1, BB2, BB1, PE2, PE1 in RUG IV</td>
<td>D: count of days billed for all nontherapy RUGs</td>
</tr>
<tr>
<td>Change of Therapy Assessment</td>
<td>N: count of assessments with AI second digit “D”</td>
<td>D: count of all assessments</td>
</tr>
</tbody>
</table>
SNF PEPPER Target Areas, 2

<table>
<thead>
<tr>
<th>Target Area</th>
<th>Target Area Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ultrahigh Therapy RUGs</td>
<td>N: count of days billed with RUG equal to RUX, RUL, RUC, RUB, RUJA</td>
</tr>
<tr>
<td></td>
<td>D: count of days billed for all therapy RUGs</td>
</tr>
<tr>
<td>90+ Day Episodes of Care</td>
<td>N: count of episodes of care at the SNF with LOS 90+ days</td>
</tr>
<tr>
<td></td>
<td>D: count of all episodes of care at the SNF</td>
</tr>
</tbody>
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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
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.

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.

Questions?

- “Help/Contact Us” at PEPPERresources.org