



PEPPER SUPPORTS QUALITY AND COMPLIANCE ACTIVITIES

**CINDY HUNTER, M.ED., CCM, HACP, CPHQ
TMF® HEALTH QUALITY INSTITUTE**

Integrity in Health Care

Promoting integrity in all health care activities, specifically with regard to the provision of care and Medicare reimbursement, is an area of continued and growing emphasis from the federal government. The 2016 Medicare Conditions of Participation (COP) impacting skilled nursing facilities (SNFs) state that a compliance and ethics program is mandatory in each organization, as is annual training for all staff. The 2016 Medicare COP also requires that in each SNF, facility leaders develop and implement a comprehensive quality assurance and performance improvement (QAPI) program.ⁱ

SNF administrators, compliance officers, nurse assessment coordinators and QAPI professionals play key roles in coordinating organizational reviews of federal initiatives, including the provider-specific report known as the Program for Evaluating Payment Patterns Electronic Report (PEPPER). PEPPER supports the Centers for Medicare & Medicaid Services (CMS) initiative to reduce the likelihood of improper Medicare payments, and assists organizations with comparative activities related to coding, billing, documentation review and resource utilization.

PEPPER

TMF Health Quality Institute (TMF) is under contract with CMS through the Center for Program Integrity Provider Compliance Group to produce and distribute PEPPER for SNFs. PEPPER is a comparative data report that summarizes three years of a SNF's Medicare-paid claims data statistics for areas that have been identified as at risk for improper Medicare payments:

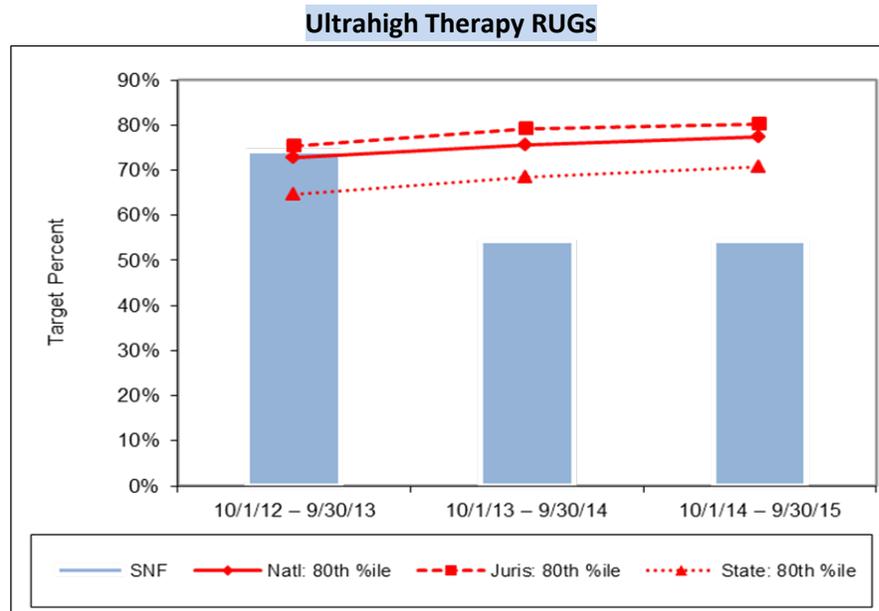
1. Therapy Resource Utilization Groups (RUGs) With High Activities of Daily Living (ADL)
2. Non-therapy RUGs With High ADL
3. Change of Therapy Assessment
4. Ultrahigh Therapy RUGs
5. 90+ Day Episodes of Care

For each of these "target areas," the SNF's statistics are compared with aggregate statistics for the nation, Medicare Administrative Contractor (MAC) jurisdiction, and state. Though PEPPER cannot identify the presence of improper Medicare payments, the comparisons can help SNF providers identify when their billing statistics differ from the majority of other SNFs.

TMF produces PEPPERS for providers as an educational tool, intended to support providers’ auditing and monitoring efforts with the goal of protecting the Medicare Trust Fund. PEPPER is also available for short-term acute care hospitals, long-term acute care hospitals, critical access hospitals, inpatient rehabilitation facilities, inpatient psychiatric facilities, partial hospitalization programs, home health agencies and hospices. Each of these PEPPERS is customized to report on areas at risk for each respective provider type.

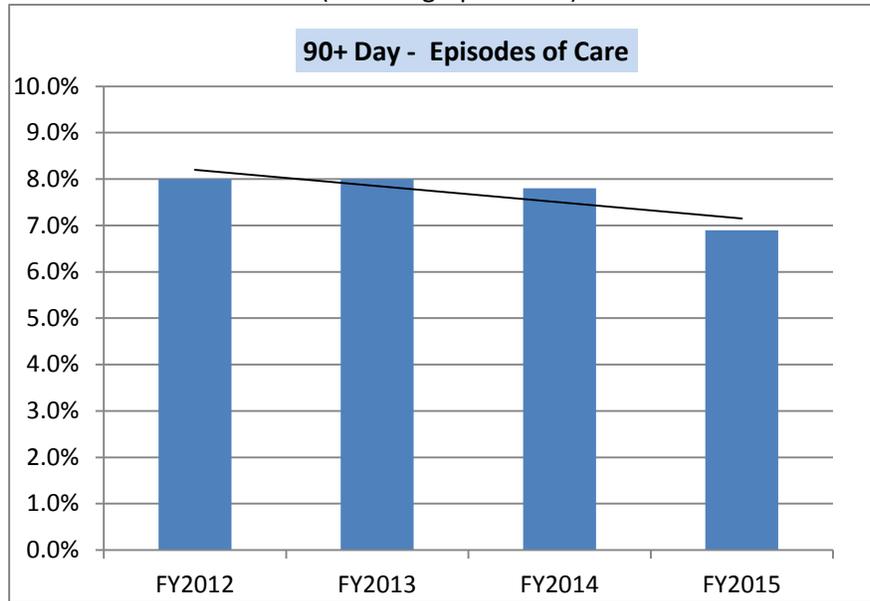
Focus: PEPPER Ultrahigh Therapy RUGs

At a national level, the proportion of ultrahigh therapy RUGs has increased each year. In federal fiscal year (FY) 2010, the proportion of therapy RUGs billed as “ultrahigh” was 46.1 percent. By FY 2015, the proportion was 62.6 percent. As this continues to be an area of focused review by regulatory agencies, SNF staff can utilize their facility’s PEPPER to determine how its statistics compare to others and to identify changes over time. In this sample PEPPER graph for the Ultrahigh Therapy RUGs target area, while the SNF’s percent was above the national 80th percentile for FY 2013, its percent decreased for FYs 2014 and 2015 (see the graph below). This result may have been expected if the SNF staff identified improper therapy services and engaged in improvement efforts. It may also be expected if the SNF’s patient population changed (i.e., the patient population did not require high levels of therapy). SNF leaders should study their PEPPER statistics and consider whether the statistics reflect what they expect to see, given their patient population, specialized staff/services, referral sources, etc. If concerns are identified, they should select a sample of records to review to determine whether the documentation accurately reflected the patient’s condition and treatment and whether the claim submitted for Medicare reimbursement was accurate.



Focus: National 90+ Day Episodes of Care

Another area of concern is long lengths of stay at a SNF; this could be an indication that skilled services are provided past the point where they are necessary. The PEPPER can help identify when a provider has a high proportion of episodes with a longer (90+ days) length of stay. At a national level, the proportion of 90+ day episodes of care has decreased (see the graph below).



How Is PEPPER Used?

PEPPER provides trended data to support decision-making and assists with organizational planning. Effective compliance plans and performance improvement (PI) programs include ongoing monitoring of PEPPER and tracking progress on identified action items. Based on feedback from providers, PEPPER is used to guide auditing processes, improve quality of clinical documentation, review coding processes, educate staff, and assess/validate efforts to change billing patterns. Recently, leaders from a Michigan SNF shared with the PEPPER team how PEPPER supported their internal improvement efforts; read more [here](#).

Where to Access More Information About PEPPER

Visit PEPPERresources.org to access information on PEPPER, including how to obtain your SNF's PEPPER. The [SNF Training and Resources](#) webpage includes the SNF PEPPER User's Guide as well as recorded PEPPER training sessions (webinars), a sample PEPPER and provider testimonials. Questions or requests for assistance can be submitted through the [Help Desk](#). To receive updates via email regarding future PEPPER releases and training opportunities, join the email list from the home page using the "[Join Now!](#)" button.

National and state-level aggregate data reports are available under the "[Data](#)" tab, along with peer-group bar charts that can further assist with interpreting your SNF's PEPPER statistics. The PEPPER Team encourages all SNF leaders to obtain and utilize their PEPPERS.

¹ <https://www.federalregister.gov/documents/2016/10/04/2016-23503/medicare-and-medicaid-programs-reform-of-requirements-for-long-term-care-facilities>