USING PEPPER Reports to “Season” your Hospice Compliance and QAPI Programs

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Objectives

- Describe the purpose of the Hospice PEPPER and how to access your Hospice’s data
- Name the data points that are inclusive in the PEPPER
- Describe how to utilize Hospice PEPPER data to analyze your Hospice’s target areas
- Describe strategies for incorporating Hospice PEPPER data into your Compliance and Quality Program for optimal outcomes and minimize risk.
- Q & A’s

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OVERVIEW

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What is PEPPER?

- Program for Evaluating Payment Patterns Electronic Report (PEPPER)
  - These reports summarize Medicare claims data statistics for a hospice agency in target areas that may be at risk for improper Medicare payments.
  - PEPPER cannot identify improper Medicare payments!
- PEPPER data provides a comparison of a hospice's Medicare claims data statistics with aggregate Medicare data for the nation, MAC jurisdiction and state.
- PEPPER was initially developed in 2003 for short-term acute care hospitals
- Now PEPPER is used for long-term care, acute care PPS hospitals, inpatient psychiatric facilities, critical access hospitals, inpatient rehabilitation facilities, partial hospitalization programs, hospices, skilled nursing facilities and home health.
- Hospice PEPPER reports initiated in 2012
- New PEPPER format July 2020

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Why is PEPPER Important for Hospices?

- CMS is charged with protecting the Medicare Trust Fund from fraud, abuse and waste.
  - PEPPER reporting supports CMS' Program Integrity activities
  - Individual Hospice PEPPER Data is not publicly available, but database/statistics are available to MAC and DOJ.
- PEPPER can be utilized as an educational tool to assist providers in assessing their risk for improper Medicare payments.
  - PEPPER is a roadmap to help providers identify potentially vulnerable or improper payments
  - Providers are not required to use PEPPER or to take any action in response to their PEPPER statistics
  - There is no cost to obtain PEPPER reports
  - Would you like to know if your statistics might be a red flag to auditors?

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PEPPER Reports-Comparison Groups

Comparison Groups

- Nation
- Medicare Administrative Contractor (MAC) jurisdiction
- State

NGS J6

CGS J15

NGS JK

Palmetto JM

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Hospice Improper Payment Risks

- Hospices are reimbursed through the Medicare Hospice Benefit
- Hospices can be at risk for inappropriate beneficiary enrollment in the Medicare Hospice Benefit
- Target areas were identified based on review of:
  - Medicare Hospice Benefit;
  - Oversight Agency Reports;
  - Analysis of Claims Data;
  - In Coordination with CMS Subject Matter Experts.

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PEPPER DATA AND REPORTS

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PEPPER Reports

- Released Annually-Most recent is Q4FY20 Released in Spring 2021
- Current report summarizes statistics for federal fiscal years 2018, 2019, and 2020
- Statistics for all time periods are refreshed with each release
- The oldest FY rolls off as the new one is added

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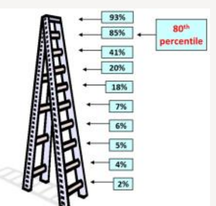
PEPPER Reports - Percentiles

- Percentiles are at the heart of PEPPER
- The Percentile indicates the percentage of hospices that have a lower target area percent.
- Target area percent at/above the national 80th percentile are identified as "outliers" in PEPPER.
- Easy to confuse percent and percentiles



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PEPPER Reports

- Areas identified as potentially at risk for improper Medicare payments (i.e., coding or billing errors unnecessary services).
- Reported as either:
  - Ratio (numerator/denominator different units) or
  - Percent (numerator/denominator same units.
- A target area is constructed as a ratio:
  - Numerator= episodes/claims/days identified as potentially problematic
  - Denominator=larger reference group
- NOTE: CMS data restrictions prevent the display of numerators and denominators with values that are less than 11 due to potential beneficiary privacy concerns.

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PEPPER Reports - Distribution

- PEPPER is distributed in an electronic format.
- Each release of PEPPER will be available for approximately two years from its original date of release.
- PEPPER cannot be sent via email. It is available via the PEPPER Portal:
  - PEPPERFILE.CBRPEPPER.org
  - Links to the portal can be found on the PEPPER homepage: PEPPER.CBRPEPPER.org

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PEPPER Reports - Distribution

- Required information to access PEPPER:
  - Six-digit CMS Certification Number (also referred to as the provider number or Provider Transaction Access Number [PTAN]).
    - Not the same as the tax ID or National Provider Identifier (NPI) number
  - A patient control number for a traditional Part A FFS patient who received services from 7/1/2020-9/20/2020.
  - A validation Code (sent from PECOS which is updated with each PEPPER release
    - Can be shared within the hospice as deemed appropriate

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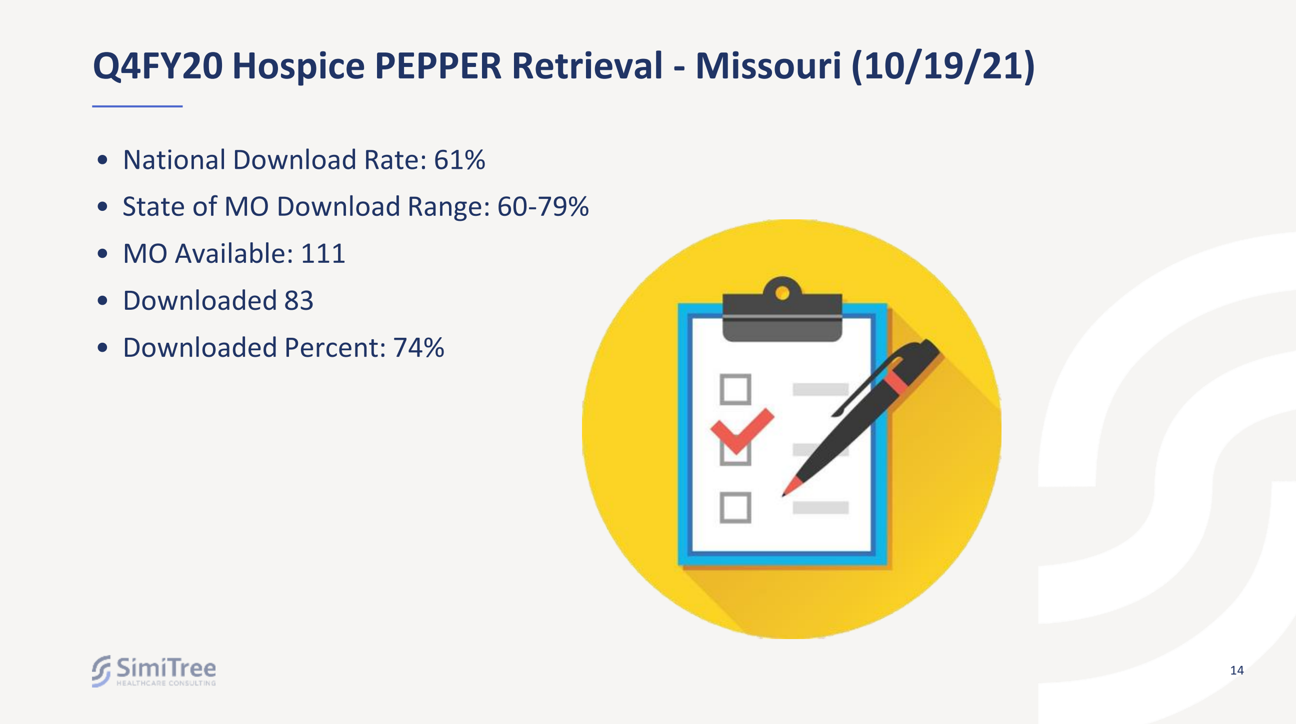

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Hospice PEPPER Target Areas Q4 FY 2020

- Live Discharges No Longer Terminally Ill
- Live Discharges –Revocations
- Live Discharges LOS 61 –179 Days
- Long Length of Stay
- Continuous Home Care Provided in an Assisted Living Facility
- Routine Home Care in Assisted Living Facility
- Routine Home Care in Nursing Facility
- Routine Home Care in Skilled Nursing Facility
- Claims with Single Diagnosis Coded
- No General Inpatient Care or Continuous Home Care
- Long General Inpatient Stays
- Average Number of Part D Claims per Hospice Episode (Note: New as of Q4FY20 release)

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Example Hospice PEPPER Target Area Definition

Target Area	Target Area Definition
Live Discharges No Longer Terminally Ill	*Numerator (N):* count of beneficiary episodes discharged alive (patient discharge status code not equal to 40 (expired at home), 41 (expired in a medical facility) or 42 (expired place unknown)), excluding beneficiary: • transfers (patient discharge status code 50 or 51) • revocations (occurrence code 42) • discharged for cause (condition code H2) • who moved out of the service area (condition code 52) *Denominator (D):* count of all beneficiary episodes discharged (by death or alive) during the report period (obtained by considering all claims billed for a beneficiary by that hospice)
No General Inpatient Care or Continuous Home Care	*N:* count of beneficiary episodes that had no amount of general inpatient care (revenue code = 0656) or continuous home care (revenue code = 0652) D: count of all beneficiary episodes discharged (by death or alive) by the hospice during the report period (obtained by considering all claims billed for a beneficiary by that hospice)

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PEPPER Reports and Medicare Part D Spending

- **NEW Q4 FY 2020: Target Area: Average Number of Part D Claims per Hospice Episode**
  - N: count of Medicare Part D claims for beneficiaries billed during hospice episodes of at least three days, beginning one day after admission and ending one day before discharge for beneficiaries discharged alive.
  - D: count of all beneficiary episodes discharged (by death or alive, and at least three days in length), by the hospice during the report period (obtained by considering all claims billed for a beneficiary by that hospice).

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PEPPER Reports and Medicare Part D Spending

- Medicare Part D and spending outside of the Medicare Hospice Benefit has been a longstanding concern for the OIG and also the Medicare Payment Advisory Commission (MedPAC) and the Centers for Medicare & Medicaid Services (CMS).
- August 2019, the Office of Inspector General (OIG) report: *Medicare Part D Is Still Paying Millions for Drugs Already Paid for Under the Part A Hospice Benefit*
  - Detailed concerns and improper payments related to Medicare spending outside of the hospice benefit. The OIG estimated that the Medicare Part D total cost was $160.8 million for drugs that should have been paid for by hospice organizations.
- The new measure will provide data about the types of services their patients are receiving outside of the Medicare Hospice Benefit.

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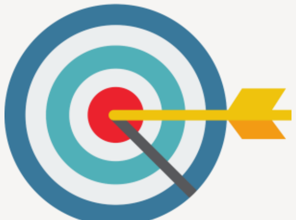
PEPPER Reports-Aggregate Target Data

- National-level and State-level data are available at PEPPER.CBRPEPPER.org on the "Data page and include:
  - Target areas
  - Top terminal diagnoses
  - Live DC by type
- Updated annually following each report release
- Refer to Hospice PEPPER User's Guide (10th Edition) for more information



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PEPPER Reports-Peer Group Data

- Allows comparison of PEPPER statistics to providers' peers
- For each target area, the peer group bar charts identify the 20th 50th, and 80th national percentile for hospices in 3 categories:
  - Size (i.e., number of episodes/days)
  - Location (i.e., urban or rural)
  - Ownership Type (i.e., profit/nonprofit or government)
- Updated annually following each report release
- Contact CMS Regional Office Coordinator with updates/corrections to your hospice's ownership type or location.
- Refer to Hospice Peer Group Methodology Document and File links on PEPPER website

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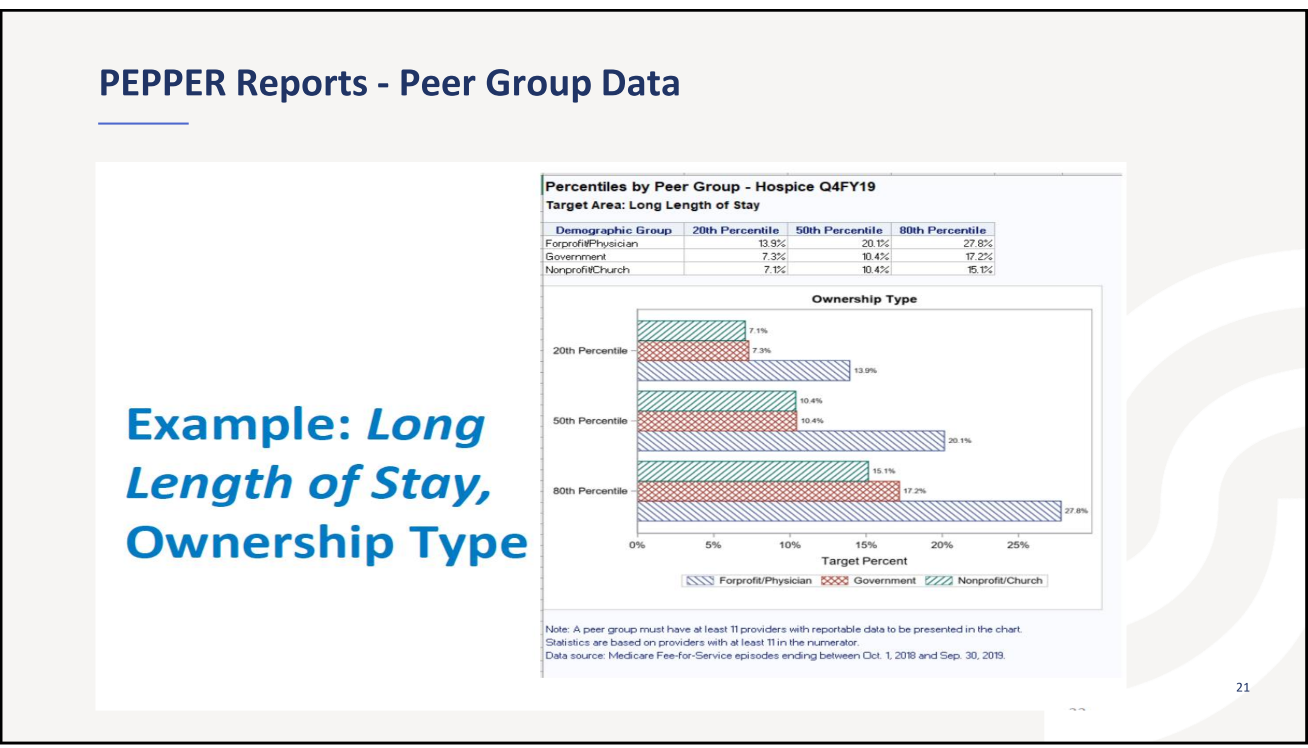

Demographic Group	20th Percentile	50th Percentile	80th Percentile
Forprofit/Physician	13.9%	20.1%	27.8%
Government	7.3%	10.4%	17.2%
Nonprofit/Church	7.1%	10.4%	15.1%

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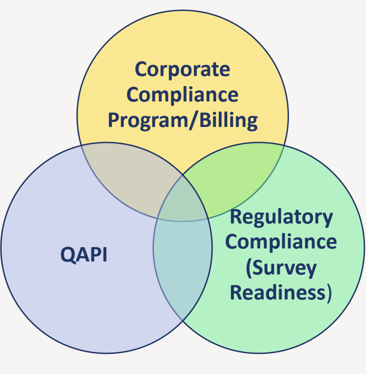
Regulatory, Quality & Compliance: Complementary Not Interchangeable



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PEPPER Considerations - Compliance Program and Outliers

- Do not panic!
  - Outlier status does not necessarily mean that compliance issues exist
- If you are an "outlier," conduct a root cause analysis to determine the reason
  - Do the statistics reflect your operation? Patient population? Referral sources? Healthcare environment?
- Use PEPPER data to assist your hospice compliance activities; specifically, your audit activities -
  - Perform targeted audits (external or internal auditors):
    - Sampling claims and reviewing documentation in medical record
    - Reviewing the claim. Was it coded and billed appropriately, based upon documentation in the medical record?
- Use audit results to develop specific action plans for educate staff and to ensure compliant documentation
- Provide education and training on admission eligibility and improving system coding accuracy
- Ensure you are following best practices, even if you are not an outlier

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PEPPER Considerations - Compliance Program

- Conduct an Annual Compliance Program Assessment to ensure compliance with the seven (7) elements recommended by the OIG:
  1. Policy/Procedure/Written Code
  2. Compliance Officer/Committee
  3. Training/Education
  4. Communications/Anonymous
  5. Auditing Monitoring ---Internal & External monitoring by experts (Attorney Client Privileges issues/ethics).
  6. Disciplinary Measures
  7. Disclosure /Timely Investigations and Reporting

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PEPPER Considerations - Hospice Compliance Resources

- Medicare Benefit Policy Manual - Chapter 9: Coverage of Hospice Services Under Hospital Insurance
  - https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c09.pdf
- Medicare Claims Processing Manual: Chapter 11, Processing Hospice Claims
  - https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c11.pdf
- Medicare Program Integrity Manual
  - https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS019033
- OIG Compliance Guidance for Hospice
  - https://oig.hhs.gov/documents/compliance-guidance/803/hospicx.pdf
  - https://OIG.hhs.gov and https://justice.gov
    - Additional DOJ updates, Work Plan, Reports

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PEPPER Considerations - QAPI Program

- Incorporate findings from Compliance audits into your QAPI program
- Utilize RCA completed under compliance for baseline to determine action plan:
  - Include process changes, staff education and monitoring, etc.
- Develop PIP for areas identified above 80th percentile OR are considered at rising risk (trending upward).
- Include regular monitoring of PIP and QAPI Committee reporting to Administration and Governing Body.
- If reviewing post-payment claims, consider completing audit under Atty Client Privilege
- Develop PRO-ACTIVE Approach

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QAPI Program Implementation

1. Identify criteria or indicator. What do you want to review?
2. Establish goals/expected outcomes
   - To what will you compare? Your history or external findings?
3. Describe the data to collect. Sources. How to collect.
4. Collect the data and describe it
5. Analyze the data
6. Compare your data to goal you set
7. Action plan and implementation (If it is status quo, then it is only QA)
8. Re-measure. Did action work? Good enough?
9. Additional action plan and implementation. Check again.
10. Communicate findings to staff, Governing Body
    - REMINDER: Governing Body must approve QAPI Plan and the frequency and detail of QAPI program data collection

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Involve, Engage, Empower Staff

- Clear definitions create more empowerment
- Visibility of QAPI initiatives allows staff to work on same goals as management
  - Important to coordinate and align improvement efforts with organizational goals
- Foster evidence-based practice at all levels
- Set targets which will engage all staff:
  - Monitor and share updates;
  - Share information – make it a part of vocabulary;
  - Engage staff in problem solving for indicators that are aren't performing.
- Hold staff and management accountable for managing to specific indicators:
  - Own the results!

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EXAMPLE: PIP

Hospice PEPPER Table 2

Compare Targets Report, Four Quarters Ending Q4 FY 2020

SAMPLE, Provider SAMPLE

The Compare Targets Report displays statistics for target areas that have reportable data (11+ target discharges) in the most recent time period.

Percentiles indicate how a hospice's target area percent compares to the target percents for all hospices in the respective comparison group. For example, if a hospice's jurisdiction (see below) is 80.0, 80% of the hospices in the Medicare Administrative Contractor (MAC) comparison group have a lower percent value than that hospice. The hospice's state percentile (if displayed) and the hospice national percentile values should be interpreted in the same manner. Percentiles at or above the 80th percentile for any target areas or at or below the 20th percentile for coding-focused target areas indicate that the hospice may be at a higher risk for improper Medicare payments (outlier status). The greater the percent value, particularly the national and/or jurisdiction percentile, the greater the consideration should be given to that target area.

Table 2 Compare Targets Report

Target	Number of Target Dischs	Percent/ Rate	Hospice National %ile	Hospice Jurisdict. %ile	Hospice State %ile	Sum of Payments
Live Discharges Not Terminally Ill	23	5.3%	32.8	32.0	25.9	$807,630
Live Discharges Revocations	23	5.3%	45.8	60.6		$607,640
Live Discharges LOS 61-179	12	17.4%	2.4	1.7	5.6	$199,630
Long LOS	124	28.7%	85.3	92.1	73.7	$7,539,056
Routine Home Care in Assisted Living Facility	25,950	40.2%	83.2	86.0	71.6	Not Calculated
Routine Home Care in Nursing Facility	4,244	6.6%	21.1	15.0	50.0	Not Calculated
Routine Home Care in Skilled Nursing Facility	1,817	2.8%	24.0	19.0	15.6	Not Calculated
Claims w/ Single Diagnosis Coded	166	6.5%	32.4	43.7	36.8	Not Calculated
No GIP or CHC	427	98.8%	62.3	54.4	59.5	$9,824,227
Average Part D Claims	4,329	10.43	73.4	81.8	91.9	Not Calculated

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EXAMPLE: PIP

Hospice PEPPER				
SAMPLE Provider				
Table 9 Your Hospice Statistics for Long Length of Stay				
YOUR HOSPICE	**FY 2018**	**FY 2019**	**FY 2020**	
Outlier Status	Not an outlier	Not an outlier	High Outlier	
Target Area Percent	20.5%	22.5%	28.7%	
Target Count	89	90	124	
Denominator Count	435	400	432	
Target (Numerator) Average Length of Stay	389.3	409.9	406.5	
Denominator Average Length of Stay	111.9	127.5	148.4	
Target (Numerator) Average Payment	$56,299	$60,314	$60,799	
Target (Numerator) Sum of Payments	$5,010,640	$5,428,282	$7,539,056	

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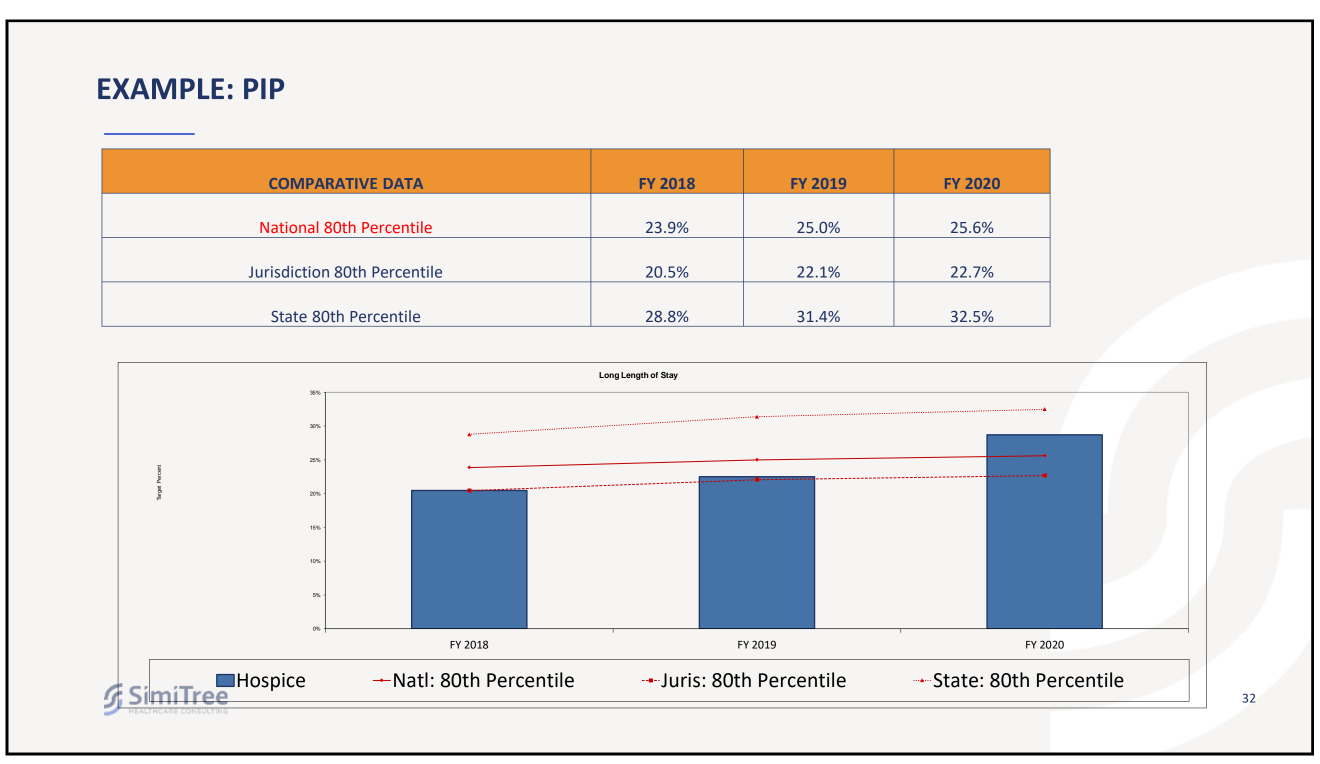
EXAMPLE: PIP

COMPARATIVE DATA	FY 2018	FY 2019	FY 2020
National 80th Percentile	23.9%	25.0%	25.6%
Jurisdiction 80th Percentile	20.5%	22.1%	22.7%
State 80th Percentile	28.8%	31.4%	32.5%



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PEPPER Considerations-QAPI Program

- Group Discussion and PIP Development/Other PIP Findings?

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QAPI Program Implementation

Sample PIP Template

Person(s) Responsible:	Administrator: Quality Manager: Clinical Director: Other: PLAN—DO-STUDY-ACT NEED TO ALIGN PIPS WITH QAPI PLAN				DATE PLAN DEVELOPED: DATE UPDATED:	REVIEWED: RE-REVIEWED:
PLAN PIP Item:	Date Started:	DO Action Steps:	Data Collection:	Responsible Person(s):	STUDY Status Update	ACT Date to be Completed/Completion Date:

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PIP Example Hospice Long LOS

- **Problem statement (PLAN)**
  - "Q42020 PEPPER measure for Hospice Long LOS (combined days of service greater than 180 days) has Target Area Percent of 28.7% which is above the 80th percentile for national (25.6%) and jurisdiction (22.7%) rates. In addition, this percentage has increased in the past three years from 20.5% to 28.7%.
    - Note this percentage is below the State 80th percentile of 32.5%
- **WHY?**
- To answer the question, "Why?"
  - Conduct root cause analysis (RCA) identifying possible reasons for percentile above 80%
  - Identified potential primary and potential causes
- **Actions (DO)**
- **Monitoring (CHECK)**
- **Implementation/Adjust (ACT)**

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PEPPER Resources

Visit https://PEPPER.CBRPEPPER.org "Training and Resources" page

- Hospice PEPPER User's Guide
- Jurisdictions Spreadsheet
- Recorded PEPPER Training Sessions
- Sample Hospice PEPPER
- History of Target Area Changes and Impact
- CMS Medicare Learning Network (MLN) Matters article and National Government Services (NGS) Job Aid (site of service codes).
- Success Stories
- Help Desk Contact Information

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