Thank you for joining us!

- We will start at 1:00 p.m. CT.
- You will hear silence until the session begins.
- Audio Options:
  - **Recommended**: Audio broadcast using your computer speakers (automatically join the audio broadcast when entering the meeting; remember to increase speaker volume; make sure not muted).
  - Dial 1-415-655-0003 (passcode 923 065 017) (**limited to 500 callers**).
  - Audio difficulties? WebEx support: 866-229-3239.
- Handout: Available at PEPPERresources.org, ST Training and Resources Section.
- A recording of today’s session will be posted at the above location within two weeks.
Q1FY16 Short-term PEPPER: Examining the First Quarter of ICD-10 Statistics

June 21, 2016
Kimberly Hrehor
Questions

- Phone lines will be muted the entire duration of the training.
- Please 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 in the 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.
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

- PEPPER basics
- Q1FY16 PEPPER updates
- Review Q1FY16 statistics
PEPPER Details

- To learn more about PEPPER, review percents and percentiles and review a demonstration PEPPER, access the recorded training sessions, which are available in the ST Training and Resources section of PEPPERresources.org.
What is PEPPER?

- Program for Evaluating Payment Patterns Electronic Report (PEPPER) summarizes Medicare claims data statistics for one provider in areas ("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 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; was provided by Quality Improvement Organizations (QIOs) through 2008.
- 2010: TMF began distributing PEPPER to all providers in the nation, 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.
Q1FY16 PEPPER Release

- Distribution completed week of May 30.
- Summarizes statistics for twelve fiscal quarters, from Q2FY13 to Q1FY16.
- Statistics for all time periods are refreshed each release.
- The oldest quarter rolls off as the new one is added.
Target Area

- Area identified as potentially at risk for improper payments (coding or billing errors, unnecessary admissions)

- Constructed as a ratio:
  - Numerator = discharges identified as potentially problematic
  - Denominator = larger reference group
# ST PEPPER Target Area Revisions

<table>
<thead>
<tr>
<th>Target Area</th>
<th>Target Area Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single CC/MCC *revised Q1FY16 release</td>
<td><em>Numerator (N): count of discharges for DRGs in groups 1, 2 or 3 with one CC or MCC coded on the claim (recognizing CC exclusions as per table 6K of the IPPS final rule)</em></td>
</tr>
<tr>
<td></td>
<td><em>Denominator (D): count of discharges for DRGs in groups 1, 2 or 3 with one or more CC or MCC coded on the claim (recognizing CC exclusions as per table 6K of the IPPS final rule)</em></td>
</tr>
<tr>
<td>Excisional Debridement *revised Q1FY16 release</td>
<td><em>N: count of discharges for DRGs affected by ICD-9-CM and ICD-10-CM procedure codes for excisional debridement (see Appendix 3) that have an excisional debridement procedure code on the claim (see Appendix 4)</em></td>
</tr>
<tr>
<td></td>
<td><em>D: count of discharges for the DRGs (see Appendix 3)</em></td>
</tr>
</tbody>
</table>

*revised Q1FY16 release*
# ST PEPPER Target Area Revisions, 2

<table>
<thead>
<tr>
<th>Target Area</th>
<th>Target Area Definition</th>
</tr>
</thead>
</table>
| Spinal Fusion *revised Q1FY16 release | $N$: count of discharges that have *spinal fusion procedure codes* on the claim  
$D$: count of discharges that have *spinal procedure codes* on the claim  
(See Appendix 6 for complete listing and description of numerator and denominator procedure codes) |
DRG Changes in FY2016

- Titles for several DRGs involving mechanical ventilation have changed from “96+ hours” to “>96 hours.”

- DRGs 237 and 238 deleted and replaced with DRGs 268, 269, 270, 271, 272.
  - May impact “Top Surgical DRGs” report.
Impact on Q1FY16 Statistics

- **In general:**
  - Greater impact for target areas related to procedures/surgical DRGs.
  - Target area percents may increase/decrease.

- Refer to official coding guidelines, Coding Clinic for coding advice.
## Unrelated OR Procedure

<table>
<thead>
<tr>
<th></th>
<th>Q2FY15</th>
<th>Q3FY15</th>
<th>Q4FY15</th>
<th>Q1FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numerator</td>
<td>14,047</td>
<td>13,604</td>
<td>13,021</td>
<td>20,930</td>
</tr>
<tr>
<td>Denominator</td>
<td>658,157</td>
<td>657,253</td>
<td>650,949</td>
<td>670,463</td>
</tr>
<tr>
<td>Proportion</td>
<td>2.1%</td>
<td>2.1%</td>
<td>2.0%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

![Unrelated OR Procedure Chart](chart.jpg)
# Surgical DRGs with CC/MCC

<table>
<thead>
<tr>
<th></th>
<th>Q2FY15</th>
<th>Q3FY15</th>
<th>Q4FY15</th>
<th>Q1FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numerator</td>
<td>316,816</td>
<td>319,167</td>
<td>314,736</td>
<td>338,733</td>
</tr>
<tr>
<td>Denominator</td>
<td>609,748</td>
<td>610,299</td>
<td>605,812</td>
<td>625,449</td>
</tr>
<tr>
<td>Proportion</td>
<td>52.0%</td>
<td>52.3%</td>
<td>52.0%</td>
<td>54.2%</td>
</tr>
</tbody>
</table>
## Excisional Debridement

<table>
<thead>
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<th>Q1FY16</th>
</tr>
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<tbody>
<tr>
<td>Numerator</td>
<td>8,327</td>
<td>8,379</td>
<td>8,523</td>
<td>11,606</td>
</tr>
<tr>
<td>Denominator</td>
<td>35,010</td>
<td>34,639</td>
<td>33,966</td>
<td>41,622</td>
</tr>
<tr>
<td>Proportion</td>
<td>23.8%</td>
<td>24.2%</td>
<td>25.1%</td>
<td>27.9%</td>
</tr>
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</table>
## Ventilator Support

<table>
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<tr>
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<th>Q4FY15</th>
<th>Q1FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numerator</td>
<td>26,922</td>
<td>22,182</td>
<td>19,211</td>
<td>18,634</td>
</tr>
<tr>
<td>Denominator</td>
<td>224,635</td>
<td>204,497</td>
<td>197,645</td>
<td>202,557</td>
</tr>
<tr>
<td>Proportion</td>
<td>12.0%</td>
<td>10.8%</td>
<td>9.7%</td>
<td>9.2%</td>
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</tbody>
</table>
## Defibrillator Implant

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</tr>
</thead>
<tbody>
<tr>
<td>Numerator</td>
<td>5,121</td>
<td>5,024</td>
<td>4,623</td>
<td>3,911</td>
</tr>
<tr>
<td>Denominator</td>
<td>13,507</td>
<td>13,800</td>
<td>13,337</td>
<td>11,696</td>
</tr>
<tr>
<td>Proportion</td>
<td>37.9%</td>
<td>36.4%</td>
<td>34.7%</td>
<td>33.4%</td>
</tr>
</tbody>
</table>
# Other Circulatory System Diagnoses

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Numerator</td>
<td>17,363</td>
<td>18,352</td>
<td>18,857</td>
<td>15,170</td>
</tr>
<tr>
<td>Denominator</td>
<td>347,508</td>
<td>331,256</td>
<td>313,149</td>
<td>319,675</td>
</tr>
<tr>
<td>Proportion</td>
<td>5.0%</td>
<td>5.5%</td>
<td>6.0%</td>
<td>4.7%</td>
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Other Digestive System Diagnoses

<table>
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<tr>
<td>Numerator</td>
<td>19,301</td>
<td>19,727</td>
<td>19,419</td>
<td>18,735</td>
</tr>
<tr>
<td>Denominator</td>
<td>191,923</td>
<td>191,143</td>
<td>186,273</td>
<td>173,843</td>
</tr>
<tr>
<td>Proportion</td>
<td>10.1%</td>
<td>10.3%</td>
<td>10.4%</td>
<td>10.8%</td>
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</tbody>
</table>
## Spinal Fusion

<table>
<thead>
<tr>
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<th>Q1FY16</th>
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<tbody>
<tr>
<td>Numerator</td>
<td>34.662</td>
<td>34,769</td>
<td>35,314</td>
<td>37,170</td>
</tr>
<tr>
<td>Denominator</td>
<td>52,981</td>
<td>53,231</td>
<td>53,474</td>
<td>61,621</td>
</tr>
<tr>
<td>Proportion</td>
<td>65.4%</td>
<td>65.3%</td>
<td>66.0%</td>
<td>60.3%</td>
</tr>
</tbody>
</table>
2DS Surgical DRGs

<table>
<thead>
<tr>
<th></th>
<th>Q2FY15</th>
<th>Q3FY15</th>
<th>Q4FY15</th>
<th>Q1FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numerator</td>
<td>100,320</td>
<td>102,865</td>
<td>105,453</td>
<td>108,372</td>
</tr>
<tr>
<td>Denominator</td>
<td>658,157</td>
<td>657,253</td>
<td>650,949</td>
<td>670,463</td>
</tr>
<tr>
<td>Proportion</td>
<td>15.2%</td>
<td>15.7%</td>
<td>16.2%</td>
<td>16.2%</td>
</tr>
</tbody>
</table>

![Graph showing two-day stays for surgical DRGs](Link to Definitions Worksheet)
# 1DS Surgical DRGs

<table>
<thead>
<tr>
<th></th>
<th>Q2FY15</th>
<th>Q3FY15</th>
<th>Q4FY15</th>
<th>Q1FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numerator</td>
<td>67,268</td>
<td>69,873</td>
<td>72,250</td>
<td>73,494</td>
</tr>
<tr>
<td>Denominator</td>
<td>658,157</td>
<td>657,253</td>
<td>650,949</td>
<td>670,463</td>
</tr>
<tr>
<td>Proportion</td>
<td>10.2%</td>
<td>10.6%</td>
<td>11.1%</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

![One-day Stays for Surgical DRGs](Link to Definitions Worksheet)

*Graph showing one-day stays for surgical DRGs from Q2 FY 2013 to Q1 FY 2016.*
Same-DS Surgical DRGs

<table>
<thead>
<tr>
<th></th>
<th>Q2FY15</th>
<th>Q3FY15</th>
<th>Q4FY15</th>
<th>Q1FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numerator</td>
<td>3,580</td>
<td>3,754</td>
<td>3,966</td>
<td>3,924</td>
</tr>
<tr>
<td>Denominator</td>
<td>658,157</td>
<td>657,253</td>
<td>650,949</td>
<td>670,463</td>
</tr>
<tr>
<td>Proportion</td>
<td>0.5%</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

![Graph showing Same-day Stays for Surgical DRGs]
Percentiles in PEPPER

- Percentile tells us the percentage of providers that have a lower target area percent.
- Target area percents at/above national 80th percentile or at/below national 20th percentile are identified as “outliers” in PEPPER.
Comparison Groups

- National Comparison
- MAC Jurisdiction Comparison
- State Comparison
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?
Why aren’t the statistics in PEPPER more current?

- TMF must wait four months after the most recent month in a quarter before downloading the claims data to analyze for inclusion in the report. Data for Q1FY16 (October-December 2015) were downloaded the end of April 2016. Data processing, quality checks, report production and distribution require an additional 5-6 weeks.
How to Get Your PEPPER

- Uploaded to QualityNet (QN) Administrators and those with basic QN accounts and the PEPPER recipient role.
  - File is available for 60 days.
  - If you have both roles (QN Admin and PEPPER Recipient) you will receive the PEPPER file twice.
  - If there is no QN admin at your hospital, or if your QN admin needs assistance, contact the QualityNet Help Desk at www.qualitynet.org.
  - Trouble opening or downloading? Try using Google Chrome as the browser.

- PEPPER cannot be sent via email.
- ST PEPPER will be distributed quarterly.
To Obtain a QN Account:

- Work with your hospital’s QualityNet administrator to obtain a basic user account.
- Ask for “PEPPER recipient” and “File Exchange and Search” roles.
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? Patient population? Referral sources? Health care environment? Verify by:
    - Sampling claims, reviewing documentation in medical record.
    - Reviewing claim; was it coded and billed appropriately based upon documentation in medical record?

- Ensure following best practices, even if not an outlier.
For assistance with PEPPER:

- Visit PEPPERresources.org for the PEPPER User’s Guide and training materials.
- 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.
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 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.

**SHORT-TERM ACUTE CARE HOSPITALS**
- Training & Resources
- PEPPER Distribution - Get Your PEPPER
National & State-level Data

- PEPPERresources.org, Data page:
  - Target Area Summary: most recent four quarters (number of discharges for the numerator/denominator, average length of stay, total payments).
  - Top Medical and Surgical DRGs for Same/1-day stays.

- Updated quarterly, following each report release.
National High Outlier Ranking Report

- Identifies the provider’s rank as compared to all other hospitals in the nation, based on number of high outliers for the 12 quarters.
- What does the distribution of high outliers look like for all hospitals?
National High Outlier Ranking Report

Distribution of Total High Outliers by Provider, Q1FY16

Source: PEPPER - National High Outlier Ranking Report for 12 quarters ending Q1FY16
Peer Groups

- PEPPER feedback form common request: compare a hospital to its peers.

- Challenges:
  - Peer grouping schemes/methodologies differ.
  - Resulting cell sizes very small; not meaningful.
  - Classification challenges.

- Therefore: TMF has developed Peer Group Bar Charts.
Peer Group Bar Charts

- For each of the target areas, identifies the 20\textsuperscript{th}, 50\textsuperscript{th}, 80\textsuperscript{th} national percentile for hospitals in four categories:
  - Location (urban vs. rural)
  - Ownership type (profit/physician owned vs. nonprofit/church vs. government)
  - Teaching status (teaching vs. non-teaching)
  - Surgical focus (surgical vs. other)

- Updated annually.

- See “Methodology,” “Hospitals by Peer Group” files for more information.
Percentiles by Peer Group - Short Term Q3FY15
Based on hospital discharges occurring April 1, 2015 to June 30, 2015

Target Area: Ventilator Support

Location

- 80th Percentile: 22.1% Urban, 21.5% Rural
- 50th Percentile: 15.5% Urban
- 20th Percentile: 9.5% Urban

Ownership Type

- 80th Percentile: 20.7% Nonprofit/Church, 23.2% Government, 25.0% Forprofit/Phys
- 50th Percentile: 14.9% Nonprofit/Church, 16.3% Government
- 20th Percentile: 9.8% Nonprofit/Church, 10.6% Government

Teaching Status

- 80th Percentile: 22.5% Other Teaching, 20.7% Non teaching, 22.8% Major Teaching
- 50th Percentile: 14.5% Other Teaching, 16.2% Non teaching
- 20th Percentile: 9.9% Other Teaching, 10.2% Non teaching, 10.9% Major Teaching

Surgical Focus

- 80th Percentile: 22.1% Surgical, 15.4% Other
- 50th Percentile: 15.4% Surgical, 10.2% Other

Note: A peer group must have at least 11 providers with reportable data to be presented in the chart.
Questions?

- “Help Desk” at PEPPERresources.org
ST Target Areas – Coding-focused

- Stroke Intracranial Hemorrhage
- Respiratory Infections
- Simple Pneumonia
- Septicemia
- Unrelated OR Procedures
- Medical DRGs with CC or MCC
- Surgical DRGs with CC or MCC
- Single CC or MCC
- Excisional Debridement
- Ventilator Support
ST Target Areas – Admission-focused

- Transient Ischemic Attack
- Chronic Obstructive Pulmonary Disease
- Defibrillator Implant
- PTCA with Stent
- Syncope
- Other Circulatory System Diagnoses
- Other Digestive System Diagnoses
- Medical Back Problems
- Spinal Fusion
- 3-day SNF-qualifying Admissions

- 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
- Same-day Stays Medical DRGs
- Same-day Stays Surgical DRGs