Reading and Using the PEPPER Report

PANAC Webinar
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Disclaimer

“The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future.

No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.”
Disclaimer

The Pennsylvania Association of Nurse Assessment Coordinators Education Committee has identified there are no conflicts of interest of the speakers in the presentation of this educational program.
Have you seen your PEPPER Report?
- Reports were released May 5\textsuperscript{th} through 12\textsuperscript{th} 2014
- Effective April 2014, PEPPERs will only be accessed through a secure portal
- To obtain the report, a form must be completed by the CEO, President or Administrator
- Pepperresources.org – Go to Help/Contact Us and use the helpdesk icon or call 1-512-485-2201
Background

- TMF Health Quality Institute
- Identifies areas at risk for improper Medicare payments
- Supports CMS’ program integrity activities
- Compares SNF data in 6 target areas to Medicare data for other SNFs:
  - State
  - MAC jurisdiction
  - Nation
Background

- Data drawn from SNF UB-04s
- Will be issued annually
  - Anticipated May
- Data access to Medicare Administrative Contractors (MACs) and Medicare Recovery Auditors (RAs)
- Not publicly available
Target Area Development

- Review of literature regarding SNF payment vulnerabilities
- Review of SNF prospective payment system (PPS)
- Analysis of claims data
- Coordination w/CMS experts
- OIG report finding 25% of SNF claims wrong
Target Areas

- Therapy RUGs w/High ADLs
- Nontherapy RUGs w/High ADLs
- Change of Therapy Assessment
- Ultrahigh Therapy RUGs
- Therapy RUGs
- 90+ Day Episodes of Care (EOC >90 days)
## The Formulas

<table>
<thead>
<tr>
<th>Target Area</th>
<th>Definition</th>
</tr>
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</table>
| Therapy RUGs w/High ADL                  | N= Days at RUX, RVX, RHX, RMX, RUC, RVC, RHC, RMC, RLB  
D= Days for all therapy RUGs            |
| Nontherapy RUGS w/High ADL (RUG III)     | N= Days at SSC, CC2, CC1, BB2, BB1, PE2, PE1, IB2, IB1  
D= Days for all nontherapy RUGs          |
| Nontherapy RUGS w/High ADL (RUG IV)      | N= Days at HE2, HE1, LE2, LE1, CE2, CE1, BB2, BB1, PE2, PE1  
D= Days for all nontherapy RUGs          |
| Change of Therapy Assessment             | N= all assessment with AI second digit “D”  
D= all assessments                       |
| Ultrahigh Therapy RUGs                   | N= Days at RUX, RUL, RUC, RUB, RUA  
D= Days for all therapy RUGs             |
| Therapy RUGS                             | N= Days at all therapy RUGS  
D= All therapy and nontherapy RUGs       |
| EOC >90 Days                             | N= EOC w/LOS >90 days  
D= all EOCs                               |
Understanding Percents & Percentiles

- Percent shows SNF score for target area (N/D x 100)
- Percentile shows how SNF’s % compares to other SNFs in state, MAC, nation
- PEPPER shows percentage of SNFs with a lower target area percent
- OUTLIERS at risk for improper payment
  - >80 percentile and <20 percentile
## TMF Risks & Interventions

<table>
<thead>
<tr>
<th>Target Area</th>
<th>At or above 80&lt;sup&gt;th&lt;/sup&gt; Percentile</th>
<th>At or below 20&lt;sup&gt;th&lt;/sup&gt; Percentile</th>
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| Therapy or Nontherapy RUGs w/high ADL                | **Risk:** Overcoding of ADL status  
**Intervention:** Determine if amount of assistance with ADLs as reported on MDS is supported and consistent with documentation in med. record | **Risk:** Undercoding of ADL status  
**Intervention:** Same                                                                                     |
| Change of Therapy Assessment                         | **Risk:** Problems delivering services as anticipated  
**Intervention:** Examine factors that lead to the need for the COT assessment (e.g., care planning, scheduling of therapy) | Not applicable.  
**Note:** SNFs that are using the COT assessment infrequently or not at all may be targeted by MACs or RACs for review to establish whether therapy assessments are being completed as required |
## TMF Risks & Interventions

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<tr>
<td><strong>Ultra High Therapy RUGs</strong></td>
<td><strong>Risk:</strong> Improper billing for therapy services  &lt;br&gt;<strong>Intervention:</strong> Determine if therapy provided was reasonable, medically necessary and that amount of therapy reported on MDS is supported by documentation in the medical record</td>
<td><strong>Not Applicable</strong></td>
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<td><strong>Therapy RUGs</strong></td>
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<td><strong>EOC &gt; 90 days</strong></td>
<td><strong>Risk:</strong> Provided services beyond the point that they were necessary  &lt;br&gt;<strong>Intervention:</strong> Determine if continued care was appropriate and required a skilled level of care. Review appropriateness of plans of care and discharge plans</td>
<td><strong>Not Applicable</strong></td>
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Top RUGs Report: FY 2012

- Number of RUG days billed
- % of RUG days to total days
- % of EOC with RUG billed to total EOC
- SNFs ALOS for RUG
- Examine top RUGs for all EOC and top RUGS with EOC >90 days
**Action Plan**

- What next?
  - Start your internal audit.

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| Ultrahigh Therapy RUGs       | • Increasing Target Percents over time resulting in outlier status  
                              | • Your Target Percent is above the national 80th percentile                           |
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TMF Recommendations for High Target Area Percents

- Review medical record
  - Services appropriate and necessary
  - Documentation supports the level of care and services
- Regular meetings prior to billing (DON, MDS Coordinator, Therapy Director, Business Office Manager and others) to verify all aspects of care, documentation and/or billing meet all Medicare regulations
Incorporating PEPPER

- Use your resources
- Refer to the user’s guide
- Educate
- Be proactive and preventative
Incorporating PEPPER

• Who is getting/reviewing PEPPER?
• What if PEPPER shows problematic areas?
• How will you conduct reviews?
• Expectation of ongoing compliance activities and training
• Remember, “PEPPER is an educational tool…”
Incorporating PEPPER

- PEPPER is a roadmap from the government to help you identify potentially vulnerable or improper payments
  - USE THIS ROADMAP
- Incorporate the risk areas as part of your CQI, QAPI, or compliance programs
- Implement or adjust the Medicare Part A Triple Check Process accordingly
QUESTIONS?

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