

PEPPER

Program for Evaluating Payment Patterns Electronic Report

What is PEPPER?

PEPPER is an electronic data report containing hospital-specific Medicare claims data statistics for target areas that have been identified by the Centers for Medicare & Medicaid Services (CMS) as at high risk for payment errors. These target areas include one-day stays, hospital readmissions and several DRGs that have historically been associated with payment errors.

PEPPER contains data for the most recent three full fiscal years and the current fiscal year to date. The data in PEPPER are updated quarterly.

How can PEPPER benefit you?

PEPPER prioritizes hospital-specific findings to provide you with guidance on areas where your hospital may want to focus auditing and monitoring efforts. PEPPER identifies areas of potential overcoding and undercoding as well as areas that may be questionable in terms of medical necessity of admission. PEPPER also provides graphs comparing your hospital's data to state level statistics to assist in the identification of trends and outliers.

Why was PEPPER developed?

PEPPER was developed as part of CMS' Hospital Payment Monitoring Program (HPMP) to assist inpatient acute care prospective payment system hospitals with identifying and preventing payment errors. PEPPER allows your state's Quality Improvement Organization (QIO) to provide you with comparative data that can be used to focus auditing and monitoring efforts to support the overall goal of HPMP, which is to reduce the Medicare payment error rate within each state as well as nationally.

How does PEPPER work?

PEPPER uses hospital-specific percentiles for each target area to determine "outlier values." The outlier values reveal how unusual a hospital's findings are, relative to other hospitals in the state. Positive outlier values indicate possible overcoding or questionable medical necessity of admission, and negative outlier values indicate possible undercoding.

By default, PEPPER sorts target areas in descending order by the outlier value times the number of discharges for the area. The resulting measure captures both the unusualness and the scope of a possible problem. This allows PEPPER to prioritize findings by potential importance and indicate where hospitals should focus their monitoring efforts.

The PEPPER User's Guide can be downloaded from www.hpmpresources.org. The User's Guide includes suggested interventions for areas with potential payment errors.

Questions?

Steve Winbery, M.D., PhD
swinbery@tnqio.sdps.org
Richard Bender, MBP Program Manager
rbender@tnqio.sdps.org
Madhuri Annam, Programmer/ Analyst
mannam@tnqio.sdps.org



3175 Lenox Park Blvd., Suite 309
Memphis, TN 38115
Phone: 1-800-528-2655