

Did You Get Your Latest PEPPER Report?

Knowing your PEPPER report is vital for billing compliance. Each year CMS releases individualized PEPPER reports for skilled nursing facilities on or about April 18. PEPPER stands for Program for Evaluating Payment Patterns Electronic Report. The SNF PEPPER summarizes data obtained from paid SNF Medicare UB-92 claims submitted based on services provided in facilities. The report compares a facility's data in three categories: national, Medicare Administrative Contractor (MAC) jurisdiction, and state. By reviewing their individualized facility comparative report, staff can determine if they are at risk for government auditing that targets improper Medicare payments. The report is released to the SNF chief executive officer, administrator, or president through a secure portal on the PEPPER website. Many facilities fail to obtain their PEPPER information as it is no longer sent to facilities in a hard copy version. It is available after completing the request form at <https://pepperresources.org>.

The Office of Inspector General (OIG) reported that in the year 2012, 25% of all SNF claims were billed in error. Facilities are encouraged to use their PEPPER data as part of a self-auditing process designed to ensure appropriate billing practices are followed. PEPPER specifically points out data above the upper control limit (known as high outliers) or below the lower control limit (low outliers that may demonstrate under-coding).

CMS recommends that SNFs hold regular meetings prior to billing with the director of nursing, MDS coordinator, therapy director, business office manager, and other appropriate individuals to verify that all aspects of care, documentation, and/or billing meet Medicare regulations. The billing areas listed in the table below are considered target areas by CMS due to their risk for improper Medicare payments. CMS developed the following suggestions for interpreting your PEPPER data if outliers are present:

TARGET AREA	AT/ABOVE 80 TH PERCENTILE	AT/BELOW 20 TH PERCENTILE
Therapy RUGs with High ADLs	Determine whether the amount of assistance beneficiaries need with ADLs as reported on the MDS is supported by and consistent with medical record documentation.	Determine whether the amount of assistance beneficiaries need with ADLs as reported on the MDS is supported by and consistent with medical record documentation.
Non-therapy RUGs with High ADL		
Change of Therapy Assessment	Look into factors that lead to the need for the COT assessment (e.g., can care planning be improved? Are there issues with completing therapy as scheduled?)	SNFs that use the COT assessment infrequently or not at all may be targeted for MAC or RAC review to see if therapy assessments are being completed as required.
Ultrahigh Therapy RUGs	Determine if therapy provided was reasonable and medically necessary, and if MDS submitted data is supported by documentation in the medical record.	Not applicable
90+ Day Episodes of Care	Review documentation to see if length of stay of 90+ days is appropriate and skilled care was needed/provided. Review care plans and assess discharge plans.	Not applicable

Obtain additional information about PEPPER by visiting https://pepperresources.org/Portals/0/Documents/PEPPER/SNF/SNFPEPPERUsersGuide_Edition4.pdf