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Ohio Hospices: Prepare For PEPPER Reports!

PEPPER: The Program for Evaluating Payment Patterns Electronic Report (PEPPER; www.pepperresrouces.org) is a CMS contractor that provides reports to Medicare Administrative Contractors (MACs) and providers in support of efforts to reduce improper Medicare payments. They have already provided reports and tools for hospitals, inpatient psychiatric facilities, and inpatient rehabilitation facilities – and now they are preparing their first hospice reports.

Targets: PEPPER has selected two target areas, that in the context of national Medicare Hospice data, appear entirely reasonable and should be helpful in identifying and reducing potential improper Medicare payments. What are the questions?

- 1. **Live Discharges:** A percentage calculated by taking the number of beneficiaries discharged alive divided by the number of beneficiaries discharged (by death or alive). PEPPER has further qualified this by selecting only those with a length of stay less than 25 days.
- 2. **Long Length of Stay:** A percentage calculated by taking the number of beneficiaries with a combined length of stay greater than 180 days divided by all beneficiaries receiving hospice.

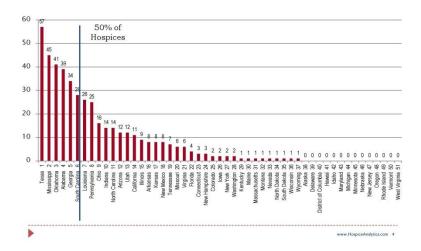
PEPPER is making these calculations based on the cap year (Nov. 1 - Oct. 31) over the past three years for which data is available, and highlighting hospices in the 80^{th} percentile or greater nationally.

Any Surprises?: No. We shouldn't be surprised that PEPPER has selected these targets. Certainly MedPAC has expressed concern over these specific issues in several of their annual reports to Congress. To be clear, if your hospice is highlighted in the PEPPER reports it *is not* an accusation of wrong-doing, however closer scrutiny of highlighted hospices for *possible* improper payments is likely by your MAC (Palmetto). Since these reports are new, it is unclear how MACs may respond to them.

Estimated Results: Hospice Analytics has replicated PEPPERs methods as close as possible (although not exactly) and estimates the following:

- **Live Discharges:** 16 Ohio hospices (14% of hospices; #16 nationally) may be highlighted in these PEPPER reports.
- Long Length of Stay: 10 Ohio hospices (9% of hospices; #23 nationally) may be highlighted in these PEPPER reports.
- **Both Targets:** In addition, 2 Ohio hospices (2% of hospices; #17 nationally) may be highlighted for reaching **both** targets in these PEPPER reports.

Estimated Number of Hospices Reaching $80^{\rm th}$ Percentile+ By State For Live Discharge Rates With LOS <25 Days (National Total N=465)



Estimated Number of Hospices Reaching $80^{\rm th}$ Percentile+ By State For LOS >180 Days (National Total N=597)

