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### As MAC Hospital Audit Shows, Data from TPE, PEPPER May Not Align

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By Nina Youngstrom

It wasn't necessarily a surprise that three-day qualifying hospital stays before skilled nursing facility (SNF) admissions would be audited under Targeted Probe and Educate (TPE), CMS's medical-review strategy, but it caught one New Jersey health system off guard.

The Medicare administrative contractor (MAC) told two hospitals in Hackensack Meridian Health Network they were an outlier for three-day inpatient stays, which are required for Medicare coverage of SNF admissions. That didn't square with data from the Program for Evaluating Payment Patterns Electronic Report (PEPPER).

"I look on PEPPER and they are an appropriate rate—not on the high or low end," says Compliance Director Peter Hughes. But Novitas, the MAC for Hackensack Meridian, "tells us we are outliers." In a letter, the MAC said "for dates of service in 2017, your facility billed 34% skilled nursing facility [without] qualifying stays, which is 72.4% above the national average. They will be included in the first round of Targeted Probe and Educate for SNF qualifying stays."

PEPPER data is generated for CMS by the TMF Health Quality Institute and provided free to short-term acute care hospitals and other providers. The hospital-specific data allows hospitals to compare their billing statistics in certain risk areas to other hospitals in the nation (RMC 2/26/18, p. 1).

Hughes informed the MAC that "PEPPER doesn't indicate we are an outlier in this situation." But the revelation didn't have an impact, he says. The prepayment review proceeded, which means the MAC sends a stop payment notice to the Fiscal Intermediary Shared System (FISS) until it completes a review of 20 medical records. If the medical records support the claim, the MAC will pay it. Meanwhile, the prepayment review crimps cash flow.

"Providers can't get too comfortable with PEPPER," he says. Other data may conflict with it.

There are reasons why data may not align with PEPPER, says Kim Hrehor, project director of the TMF Health Quality Institute. For three-day SNF-qualifying admissions, PEPPER statistics identify transfers to SNFs/swingbeds through the hospital's use of patient discharge status codes. "MACs may be using claims data to identify SNF/swingbed admissions, so if the hospital is not assigning correct patient discharge status codes, discharges/transfers to SNFs/swingbeds may not be identified in the PEPPER data," she says.

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