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Outpatient Spinal Fusion Is Added to PEPPER; Three Areas Are Dropped

By Nina Youngstrom

The spinal fusion target area in the Program for Evaluating Payment Patterns Electronic Report (PEPPER) now includes outpatient claims as well as inpatient claims, a nod to the fact that far more of the procedures are performed on outpatients now that they're off the inpatient-only list.

That's one of the changes in the latest quarterly release of PEPPER for short-term, acute-care hospitals, said Karen Sabharwal, a senior data analyst with TMF. It also lost some target areas: emergency department (ED) evaluation and management (E/M) services and admissions for chronic obstructive pulmonary disease (COPD) and excisional debridement.

PEPPER, which is generated for CMS by RELI Group Inc., is a free comparative report on billing rates in certain medical necessity and coding target areas. The purpose of PEPPER is to help hospitals point their compliance monitoring in more productive directions. The data is specific to each hospital, comparing the hospital's billing statistics for target areas to other hospitals in the nation, Medicare administrative contractor jurisdiction and state. It's a red flag when a hospital's billing in a target area is at or above the 80th national percentile, which means it bills a higher percentage for that target area than 80% of all hospitals nationally. There may not be a compliance problem, but it's up to the hospitals to sort that out.

Spinal fusion inpatient claims were first added to PEPPER in 2012 when the procedure was on the inpatient-only list, Sabharwal said. The driving force was a 2010 article in the Journal of the American Medical Association by researchers from the Oregon Health and Science University.[1] They reported a sharp increase in the frequency of complex fusions for spinal stenosis, which was associated with greater risk of major complications and 30-day mortality compared to decompression.

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