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Navigate the Compliance Universe

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Adding some spice to your compliance program

by Ronald Hirsch MD, FACP, CHCQM, CHRI

Every quarter, each acute care hospital that is paid under the Inpatient Prospective Payment System has access to an Excel workbook that contains valuable information about your hospital's compliance with myriad Medicare rules and regulations commonly known as the "PEPPER" (formally known as the Program for Payment Patterns Electronic Report). Other healthcare facilities—including critical access hospitals, inpatient rehabilitation facilities, skilled nursing facilities (SNFs), and more—receive a PEPPER every year. This report contains comparative data on discharges and services vulnerable to improper payments. Before I discuss the usage of this report, I am obligated to point out the most common error in the use of this report is calling it the PEPPER "report." As you can see, the "R" in PEPPER stands for report, so calling it the PEPPER report is redundant.

Not only does the report provide improper payment risks, but it also provides information about where the provider is potentially leaving compliant revenue on the table due to undercoding. Despite the clear value such data could provide, a significant proportion of providers never retrieve their PEPPER.[1] Imagine having access to such information and not using it. Why does this happen? It is likely multifactorial.

First, the PEPPER must be retrieved and is not automatically distributed to providers. Then once the report is obtained, the report itself can be intimidating. The Excel workbook has 56 tabs, each with 30 to 50 lines of information. Because it can be so overwhelming to interpret, I often refer to the PEPPER as data-rich and information poor. So, allow me to provide some guidelines to help one make the best use of the PEPPER.

First, ignore the tab labeled "outlier rank." It provides no information that is not present on other tabs. In addition, it only indicates areas where the hospital is a high outlier and not a low outlier.

Use the topic titles with caution

Second, do not trust the "target area" titles, as many can be misleading. For example, the target area entitled "respiratory infections" is actually measuring the number and percentage of patients with complex cases of pneumonia, such as aspiration pneumonia or gram-negative bacterial pneumonia, and "Perc CV Px" measures the percentage of patients who have a cardiac stent placed as inpatient. Referring to the "definitions" tab and the corresponding descriptor of the numerator and denominator is crucial.

On the other hand, it is simple to ascertain that the measure "Med CC MCC" measures the percentage of your medical inpatient admissions that are billed with a CC (complication or comorbidity) or MCC (major complication or comorbidity) on the claim. Similarly, the "3-day SNF" measure is self-evident; it measures the number of patients who were transferred to a SNF after a three-day inpatient hospital stay.