

Utilizing PEPPER Reports to Maintain Compliance With Your Compliance Plan

The Centers for Medicare & Medicaid Services (CMS) utilizes several types of compliance initiatives and educational tools to help to prevent improper payments and to protect the Medicare Trust Fund. The Program for Evaluating Payment Patterns Electronic Report (PEPPER) is an electronic report that contains data on target areas that are specific to inpatient facilities. Any communication from CMS or any of their vendors can be a daunting experience. More information and training resources can be found on the [PEPPER report website](#).



PEPPER reports look at the most utilized Case Mix Groups (CMGs), Diagnosis-Related Groups (DRGs), or Minimum Data Set/ Resource Utilization Groups (MDS/ RUGs), depending on the facility type, that may be at risk for improper Medicare Payment due to billing, coding, and/or admission or discharge issues. Receiving notification indicates that the provider is an “outlier,” or is billing outside of the expected pattern as compared to those of their peers by state, region, and nationally. Being an outlier does not mean that your facility is billing incorrectly, although it could, and all the more reason to know for sure. Additionally, the reports do not identify payment errors.

CMS has partnered with RELI Group, Inc., along with its partners TMF® Health Quality Institute and CGS, to develop and distribute PEPPER reports on an annual basis. PEPPER reports are intended as educational tools for inpatient facilities—including Inpatient Rehabilitation Facilities (IRFs), Inpatient Psychiatric Facilities (IPFs), Long-Term Acute Care Hospitals (LTCH), Home Health Agencies, Hospice, and Skilled Nursing Facilities (SNFs)—that can enhance accurate billing practices and support providers’ internal compliance activities. An effective compliance plan is required to include internal monitoring and auditing. Your facilities can utilize the PEPPER reports to maintain compliance with this part of your compliance plan.

LW Consulting, Inc. (LWCI) provides auditing services to inpatient facilities across the country. LWCI can look at your medical records from a fresh perspective which can be useful when identifying potential risk areas your facility should be focusing on. Our experts have experience with conducting small or large coding, documentation, billing audits, random sampling, extrapolations, and appeal support.

For more information on how LWCI can help your facility, contact Jim Wright at 717-213-3128 or email JWright@LW-Consult.com.