

# PALLIATIVE PEARLS

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## PEPPER Provides Early Warning of Audit Risk for Hospices May 2023

Fewer than [half](#) of hospices are prepared for a federal audit or document request. That's a troubling statistic as scrutiny from federal regulators is on the rise, but CMS provides a powerful tool to help: the Program for Evaluating Payment Patterns Electronic Report (PEPPER).

PEPPER provides hospices with claims data on specific Medicare target areas to help identify potential risk for improper Medicare payments. Hospices have been included in the PEPPER program since 2012, but many are not taking full advantage of this powerful tool.

### How Can PEPPER Help Hospices?

"Hospice is a small niche in the larger healthcare system and that means there just isn't a lot of data out there that hospices can use to compare their performance to their peers" says Enclara's VP of Clinical Management, Ryan Krout, PharmD. "The PEPPER compares three years of a hospice's claims data against peer organizations at the national, jurisdictional and state level to identify outliers. It's valuable information not only in terms of compliance, but also quality and utilization management."

The scope of PEPPER has broadened in recent years. A target for Part D claims was added for fiscal year 2020 and split into three targets (home, assisted living and nursing facility settings) for FY 2021. If a hospice is an outlier in these targets, it could indicate that some medications should have been paid for by the hospice, not Medicare Part D. This year, Part B claims are also included, with separate targets for home and institutional settings. For each target, lower is better and a hospice is considered an outlier if its claims put it in the top 20 percent.

"Just being an outlier does not automatically mean a hospice is doing anything wrong," Krout says. "Hospices may look the same at a high level, but drilling down, there are meaningful differences in terms of populations served, referral sources and other factors where Enclara can provide additional context and guidance."

### TARGET AREAS

- 1 Live Discharges - No Longer Terminally Ill
- 2 Live Discharge Revocations
- 3 Live Discharges Loss of Service 61-179 Days
- 4 Long Length of Stay
- 5 Continuous Home Care in Assisted Living Facility (ALF)
- 6 Routine Home Care in Nursing Facility (NF)
- 7 Routine Home Care in Skilled Nursing Facility (SNF)
- 8 Claims with Single Diagnosis Coded
- 9 No General Inpatient Care (GIP) or Continuous Home Care (CHC)
- 10 Long GIP Stays
- 11 Average Part D Home
- 12 Average Part D ALF
- 13 Average Part D NF
- 14 Average Part B Home\*
- 15 Average Part B ALF, NF, SNF\*

\*New for Q4FY22 release

## How is PEPPER Accessed?

A hospice's PEPPER spreadsheet is free and available for download through the [PEPPER Resources Portal](#) in April of each year. The [PEPPER website](#) offers various training tools, including printed materials and recorded webinars, to help hospices understand and utilize their PEPPER data effectively.

By reviewing PEPPER data and proactively addressing any outliers, hospices can maintain consistent policies resulting in positive clinical and financial outcomes, while also avoiding adverse findings upon future audits.

## Additional Resources

- Download Enclara's one-sheet, [PEPPER: A Valuable Data Resource for Hospices \(PDF\)](#) to share with your team.
- Explore Enclara's business intelligence dashboard reporting system, [Enclarity™](#), which includes multiple reports to help reduce exposure to inappropriate Part D claims.
- Learn more about improper Part D claims in the 2019 OIG report, [Medicare Part D Is Still Paying Millions for Drugs Already Paid for Under the Part A Hospice Benefit](#).