

PEPPER QUICK SHEET

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Purpose of PEPPER

The Program for Evaluating Payment Patterns Electronic Report (PEPPER) is a data report designed to help Skilled Nursing Facilities (SNFs) monitor Medicare billing patterns and identify potential areas of improper billing or payment. After a 3-year hiatus, PEPPER reports are coming back starting in September 2026.

Why PEPPER Matters

Medicare payments to SNFs are at high risk for fraud, waste, and abuse. Regular use of PEPPER supports compliance programs required by law and helps SNFs avoid improper payments and potential audits.

How PEPPER Works

- PEPPER analyzes a SNFs Medicare claims data and compares it to national, state, and jurisdiction benchmarks.
- It focuses on specific “target areas” that are considered at risk for improper payments.
- Outliers are identified when a SNFs statistics are at or above the 80th percentile (high risk) or at or below the 20th percentile (for under-coding risk areas).

Key Target Areas (as of the latest edition)

- High physical therapy, occupational therapy, or speech language pathology case mix
- 20-day episodes of care
- 90+ day episodes of care
- 3- to 5-day readmissions

How to Use PEPPER

- SNFs should review their PEPPER reports to identify areas where their billing patterns significantly differ from peers.
- High outlier status should prompt internal audits and reviews of documentation and care appropriateness.
- Suggested interventions are provided for each target area to guide corrective actions.

Access and Format

- PEPPER is distributed as a Microsoft Excel workbook to SNF leadership via a secure portal. Reports include data tables, graphs, and comparative statistics for three years.

Compliance and Best Practices

- Regularly review PEPPER data as part of your SNFs compliance program
- Conduct internal audits, especially in areas flagged as outliers.
- Ensure all Medicare claims are properly documented and medically necessary.

Steps to Take Now

- PEPPER can be accessed through a secure portal on the CMS CBR PEPPER website.
- Only National Plan & Provider Enumeration System Authorized Officials and Access Managers with active Identity & Access Management System accounts can access the PEPPER portal. This login is the same one used to access NPPES and Provider Enrollment, Chain, and Ownership System (PECOS) systems.

*For support preparing for PEPPER or interpreting your reports, Functional Pathways clients can reach out to our **Clinical Team**.*