

Comments and Responses to the Proposed 2007-2008 Occupational Mix Survey

Data Collection Period

Comment: Commenters were supportive of CMS's proposal to expand the survey data collection period from 6 months to 1 year. The commenters stated that the 1-year collection should eliminate seasonality effects and allow hospitals more time to document and verify their data to year-end payroll reports and contractor invoices. Some commenters also suggested that the collection should be tied directly to a provider's Medicare cost reporting period. The commenters opined that, although a provider's cost report is an annual requirement, the occupational mix survey data is much more likely to be accurate when a hospital is gathering similar information for completing the cost report. Others suggested that the collection period should be based on a calendar year to correspond with the IRS and other financial reporting requirements.

Response: We appreciate that commenters generally supported our proposal for a 1-year data collection period for the 2007-2008 occupational mix survey, as we agree that the 1-year data collection period would more accurately represent a hospital's employment mix and allow hospitals more time to collect the necessary data and supporting documentation for completing the survey. Therefore, we are adopting the 1-year data collection period as our final policy for the 2007-2008 occupational mix survey.

We agree with the commenters that, ideally, the occupational mix survey data should be collected in conjunction with a hospital's cost report data, because the process would facilitate the collection of the occupational mix data and ensure more consistent reporting between the survey and the Worksheet S-3 wage data. The process would also ensure that the occupational mix measurement and the wage data it adjusts are from the

same time period (or approximately the same time period; section 1886(d)(3)(E) of the Act requires that we must apply a new measurement for occupational mix at least once every 3 years, so for 2 years of the application of the survey data, the occupational mix data and the wage data will reflect different time periods.).

Although there is public interest in having the data collection period correspond with a cost reporting period or a calendar year, we are unable to accommodate either for the FY 2010 wage index. In order to allow sufficient time for CMS, the Medicare intermediaries and administrative contractors, and the public to compile, review, and correct the data before we calculate the FY 2010 wage index, the 2007-2008 occupational mix survey data must be completed and submitted to Medicare fiscal intermediaries and contractors by September 1, 2008 (the FY 2010 wage index will be published by August 1, 2009). The September 1, 2008 submission deadline will allow for the 2007-2008 occupational mix survey data to be reviewed and corrected during the same time frame as the development of the FY 2006 Worksheet S-3 wage data that will be used in calculating the FY 2010 wage index. Therefore, in order to provide for both the 1-year data collection and a thorough review and correction period, we are adopting as final for the 2007-2008 occupational mix survey, a data collection period of July 1, 2007 through June 30, 2008, with a submission deadline of September 1, 2008.

We will give further consideration to basing the collection period on either a hospital's cost reporting period or the calendar year, as we develop a proposal (or proposals) to reform the wage index, as required under section 106(b) of the MIEA-TRHCA (Pub.L. 109-432).

Deadline for Completing and Submitting the Survey

Comment: Commenters generally supported our proposal for a 60-day period after the end of the 2007-2008 survey reporting period for hospitals to complete and submit their data to their Medicare intermediaries and administrative contractors. As noted above, this deadline is September 1, 2008. However, for future collections, the commenters recommended that CMS consider instead a 90-day period for completing and submitting the survey. The commenters expressed that a 90-day reporting period will allow more time for hospitals to compile and verify their data before submitting the data to their intermediaries/administrative contractors.

Response: We proposed 60 days from the end of the survey reporting period, that is, September 1, 2008, as the deadline for hospitals to complete and submit their 2007-2008 survey data to their intermediaries/administrative contractors in order to allow the data to be included in the full FY 2010 wage index review and correction process, which will begin with the publication of the preliminary FY 2010 wage index data in October 2008. We believe that a 60-day period is a reasonable amount of time for hospitals to complete their survey data before submitting the data to their intermediaries/administrative contractors. However, we would note that this deadline is only for the completion of the occupational mix survey data so it can be posted on the CMS web site. Like the data that is used for the wage index, hospitals will have until December to make updates and corrections to the occupational mix survey before the fiscal intermediaries begin a desk review of the data. We will consider the feasibility a 90-day submission period for future collections.

Elimination of the RN subcategories

Comment: Commenters agreed with CMS's decision to eliminate the two RN subcategories, RN-Management and RN-Staff/Clinician, from the 2007-2008 occupational mix survey. The commenters stated that the inclusion of the RN subcategories led to errors and inconsistencies in the 2006 survey, had a very minor effect on the adjustment, and added to hospitals' data collection burden.

Response: Given the general consensus for our proposal, the final 2007-2008 occupational mix survey will not include the RN subcategories.

Occupational Categories

Comment: Commenters agreed with CMS's proposal to include surgical technicians in the Licensed Practical Nurses (LPNs) category, because they perform similar functions, have similar wages, and are sometimes used as substitutes for nursing staff. The commenters added that including surgical technicians in the LPNs category eliminates confusion regarding the placement of these employees on the occupational mix survey. Commenters also supported CMS's proposal to include paramedics' services in the All Other Occupations category since, by definition, they do not properly fit in the nursing categories.

Response: We appreciate the commenters' support of our proposals in these two areas. For the 2007-2008 occupational mix survey, surgical technicians are included in the LPNs category and paramedics in the All Other Occupations category.

Comment: Several commenters did not support CMS's proposal to include unit secretaries (also referred to as medical secretaries or ward clerks) in the All Other

Occupations category. The commenters suggested that unit secretaries perform functions that are similar to medical assistants (MAs) but are more prevalent, are paid similar rates, and should be included in the same category on the occupational mix survey as MAs. While MAs are mostly employed in clinics and doctor's offices, unit secretaries work mainly in hospitals and, according to the commenters, "represent 5.1 percent of nursing staff". The commenters also stated that unit secretaries work on the floor with nurses and are commonly used by hospitals to perform administrative duties, such as copying medical records, charting, and stocking patient supplies, and to transport patients, allowing nurses more time to perform their clinical duties. However, the commenters acknowledged that unit secretaries do not directly provide the clinical services that nurses and MAs perform. The commenters explained that using unit secretaries to relieve nurses and other staff from some of their administrative duties helps to lower a hospital's overall average hourly wage, and by not allowing unit secretaries in the MAs category of the survey, CMS will be penalizing hospitals that use unit secretaries to be more efficient. One commenter recommended that, if CMS does not include unit secretaries, CMS should eliminate MAs from the nursing categories. Another commenter stated that the activities of unit secretaries are distinct enough from those of nurses and supported CMS's proposal to include the salaries and hours of unit secretaries in the All Other Occupations category.

Response: We disagree with the commenters suggesting that unit/medical secretaries should be included with MAs as nursing staff on the occupational mix survey. The survey focuses on a group of employees, where, because of some amount of overlap in clinical training and skills between the various occupational levels, a hospital's

management would have a certain amount of flexibility to decide on the number of employees at each level it will employ. For this purpose, the occupational categories that are critical to the survey are nurses and MAs. As the commenters have acknowledged, although MAs perform some administrative tasks that are similar to unit secretaries, they also provide several of the same direct patient care services as nurses, such as, taking blood pressure and body temperature measurements, measuring a patient's weight and height, drawing blood samples, and administering EKGs. Unit secretaries do not perform clinical services; their duties are administrative and ancillary to direct patient care. Therefore, we agree with the commenter who stated that the activities of unit secretaries and MAs are distinct enough to justify treating them differently on the survey. We disagree with the comment that MAs should be excluded from the nursing categories if unit secretaries are excluded. The similarities in their clinical functions justify the grouping of MAs with nurses on the occupational mix survey. We also believe that unit secretaries should be treated in the same manner on the survey as nursing staff that function only in an administrative capacity and do not supervise nurses who provide patient care services; these nurses' wages and hours are included in the All Other Occupations category. Therefore, we are continuing to require that the salaries and hours for unit/medical secretaries must be placed in the All Other Occupations category for the 2007-2008 occupational mix survey.

Additional Cost Centers

Comment: Commenters supported our proposal to expand the list of Medicare cost centers to include lines 53 (Electrocardiology), 58 (ASC - Non-Distinct Part), and 59 (Other Ancillary) for collecting nursing data for the survey. The commenters agreed that

these cost centers include a significant number of nursing personnel that act in traditional nursing roles and that, by adding these cost centers, the survey will more accurately represent a hospital's nursing employment. One commenter also recommended that CMS consider including 57 (Renal Dialysis) because this cost center also utilizes a high percentage of nursing staff.

Additionally, the commenters supported our decision to exclude from the survey cost centers 41 (X-Ray), 42 (Radiology – Therapeutic), and 43 (Radioisotope). The commenters agreed that these cost centers have a fairly low percentage of nurses compared to the other cost centers that are included in the survey. By excluding these three cost centers, hospitals will be able to focus more of their efforts on collecting data for the cost centers that employ a large percentage of nurses in traditional nursing roles.

Response: We appreciate the commenters' support of our proposal to expand the list of cost centers for collecting nursing data to include lines 53 (Electrocardiology), 58 (ASC - Non-Distinct Part), and 59 (Other Ancillary). Also, we agree it is appropriate to include line 57 (Renal Dialysis) as a cost center for collecting nursing data for the occupational mix survey. Therefore, the final 2007-2008 survey provides for the collection of nursing salaries and hours from additional lines 53, 57, 58, and 59 of the Medicare Cost Report.

Further, with commenters unanimously supporting our proposal to exclude lines 41 (X-Ray), 42 (Radiology – Therapeutic), and 43 (Radioisotope) from the list of cost centers for collecting nursing data, we have adopted this as a final policy for the 2007-2008 occupational mix survey.

Additional Clarifications to the Survey Instructions

Comment: Several commenters requested that CMS provide additional clarifications to the survey instructions. One commenter suggested that CMS should specify that the occupational mix survey should not be completed by no/low utilization providers. Another commenter stated that the current instructions do not clearly address the proper treatment of employees who are allocated from the home office and/or related organizations. A commenter also recommended that CMS develop a formal methodology for allocating general service salaries and hours to excluded areas to ensure accurate and consistent reporting of the costs on the survey. The commenter was concerned that the methodology described in the FY 2006 IPPS final rule in the *Federal Register* may be unfamiliar to individuals completing the survey.

Additionally, one commenter made several recommendations for improving the survey instructions. First, the commenter recommended that CMS specify the services that should be included under line 59 “Other Ancillary” cost center. The commenter was concerned that the inclusion or exclusion of all cost centers subscribed under line 59 will lead to inconsistency. Second, the commenter suggested that CMS should revise the survey instructions to state, “nursing personnel working in the following cost centers as used for Medicare cost reporting purposes *must* (rather than *may*, as stated in the proposed instructions) be included in the appropriate nursing category.” The commenter was concerned that using the word “*may*” could lead to an interpretation by some providers that the requirement is optional. Third, the commenter recommended that CMS clarify the proper handling of Advanced Practice Nurses (APNs) for purposes of the occupational mix survey. The commenter noted that some hospitals may utilize APNs in

nursing areas where their job functions do not support billing to Part B, so these APN services would be included on Worksheet S-3. The commenter recommends that CMS specify in the survey instructions that APNs should be excluded from the survey instructions if they are excluded from Worksheet S-3, but they should be included on the survey if they are included in one of the cost centers for the survey and are included on Worksheet S-3.

Response: We have addressed the above concerns and recommendations as follows:

- No/low utilization hospitals – No/low utilization providers are not required to complete Worksheet S-3, Parts II and III of the Medicare cost report; therefore, they are not required to complete the occupational mix survey. The final 2007-2008 survey instructions are revised to state, “Do not complete this survey if you are a no/low Medicare utilization provider. Check with your fiscal intermediary/Medicare administrative contractor to confirm your status.”
- Methodology for allocating employees from the home office/related organizations – The final 2007-2008 survey instructions are revised to state, “In completing the survey, a hospital should apply the same methodology it uses for allocating home office and related organization costs on Worksheet S-3, Part II, and exclude from the survey such costs associated with excluded areas.”
- Methodology for allocating general service salaries and hours to excluded areas – In the final 2007-2008 survey, we revised the Federal Register reference to cite the allocation methodology described in the final FY 2008 IPPS final rule. The methodology was revised for FY 2008 to include the salaries and hours for contract dietary, housekeeping, and administrative and general services. We also

note in the final 2007-2008 survey that, “although wage-related costs are included in the general service allocation methodology for Worksheet S-3, wage-related costs should be excluded from the general service allocation methodology for the occupational mix survey because the occupational mix survey excludes wage-related costs.” Additionally, we included as a reference our web address for the Wage Index Calculator, an Excel spreadsheet that has a built-in formula for calculating the wage index, including the steps for allocating general service salaries and hours to excluded areas. Hospitals should ensure that any one completing the occupational mix survey is familiar with our methodology for allocating general service salaries and hours for the wage index.

- Services included under line 59, “Other Ancillary” cost center – We made no changes to the final 2007-2008 survey with regards to this issue. The wage index calculation includes all subscribed lines that are associated with cost centers that are included on Worksheet S-3, including line 59. Therefore, to be consistent, all nursing personnel associated with subscripts for line 59 are to be included in the appropriate occupational categories on the occupational mix survey.
- Instructions for the cost center approach to reporting nursing salaries and hours - As recommended, we revised the final 2007-2008 survey instructions to state, “Nursing personnel working in the following cost centers as used for Medicare cost reporting purposes must be included in the appropriate nursing category.”
- Treatment of APNs on the occupational mix survey – As recommended, we revised the final 2007-2008 survey instructions to specify that APNs must be excluded from the survey if they are excluded from Worksheet S-3. However,

APNs should be included on the survey if they are included in one of the cost centers for the survey and are included on Worksheet S-3.