

## **Comments and Responses to the Proposed 2013 Hospital Wage Index Occupational Mix Survey**

A total of 5 public comments were received. The following is a summary of the comments and CMS's responses.

### **Deadline for Completing and Submitting the Survey**

**Comment:** One commenter commended our proposal for a 6 month period for hospitals to complete and submit their data to their Fiscal Intermediaries/Medicare Administrative Contractors (FI/MACs), stating that this should provide adequate time to complete the survey.

**Response:** We appreciate the commenter's support of our proposal. We agree that the 6 month period is a reasonable amount of time for hospitals to complete their survey data before submitting the data to their FI/MACs.

### **Occupational Categories**

**Comment:** Three commenters agreed with CMS' decision to limit the breakdown in nursing subcategories to employees working in specific cost centers only. They stated that this contributes to consistency in reporting by hospitals. The commenters recommended that CMS add a unit secretary category stating that a large number of hospitals utilize this position on their nursing units for the purpose of allowing RNs and others in clinical care positions to focus more of their time on direct patient care, and less on clerical duties. The commenters state that the compensation for these positions is significantly less than that of an RN, however the hospital operates more efficiently, but is penalized with a lower average hourly rate, and inclusion of this position in the occupational mix calculation would reduce this unintended payment penalty. The commenters also state that adding an "all-other nursing" category would be helpful in refining the survey in the future. They state that it should include all employees in the specified cost centers who are not in the specific categories. Positions that would fall into this category include EMT, Supervisor Administrative and Instrument Technician. They state that CMS and others would be able to quantify the percent of nursing cost center employees that are not covered under the survey categories, by hospital, as well as nationally, and this could direct future efforts to determine whether additional categories should be added to later surveys.

**Response:** We appreciate the commenters' support of our decision to limit the breakdown in nursing subcategories to only those employees working in specific cost centers. These cost centers reflect where the majority of nursing employees are assigned in hospitals and are selected to ensure consistent reporting among hospitals. We disagree with commenters suggesting that a unit secretary category should be included on the occupational mix survey. Unit secretaries do not perform clinical services; their duties are administrative and ancillary to direct patient care. We 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 secretaries must be placed in the All Other occupations category for the 2013 occupational mix survey. Also, we appreciate the commenters' interest in collecting information to determine if additional occupations should be included in future surveys. However, we believe that the suggested general "all-other nursing" category would be too broad a category to provide information that would be helpful in

identifying specific occupations that should be added as standalone categories or included in a nursing subcategory. Therefore, we do not support including an “all-other nursing” category in the survey. We note that, in the first Medicare occupational mix survey that was used in calculating the FY 2005 wage index (69 FR 49035 through 49048, August 11, 2004), we included several other categories (therapy, pharmacy, dietary, and laboratory services); however, we removed those occupations from subsequent surveys because the percentage of total employee hours for each was so low that the impact on hospitals of including the categories in the occupational mix adjustment was only minimum and was outweighed by significant additional reporting and review burden for hospitals and Medicare contractors. For any future suggested expansion of the survey, we would have to consider the cost versus benefit of the additional data.

### **Treatment of Teaching Hospitals on the Survey**

**Comment:** Two commenters encourage CMS to consider modifying the occupational mix adjustment to take into consideration the unique occupational needs of teaching hospitals; stating that a higher case mix, and consistently treating more complex patients, requires teaching hospitals to hire more specialized staff with higher training costs and wages.

**Response:** We do not agree with the commenters’ suggestion. CMS currently has policies in place that recognize the higher costs associated with teaching hospitals, for example, teaching hospitals receive additional payments through the indirect medical education (IME) adjustment for hospitals that have residents in an approved graduate medical education (GME) program. Medicare also provides an adjustment for hospital services that are more resource intensive through the case mix index. The intent of the occupational mix adjustment to the wage index is to control for the effect of a hospital’s employment choices so that its average hourly wage for the area wage index more closely reflects true labor costs in its geographic area rather than the proportion of employees the hospital chooses to hire at high or low wage levels.

### **Exemption from Completing the Survey**

**Comment:** Two commenters support CMS’ previous decision to exempt hospitals that terminated participation in the Medicare program before the beginning of the collection period from completing the survey. The commenters request that CMS continue to seek other ways of reducing the administrative burden of completing the survey. Additionally, they encourage CMS to exempt hospitals that terminate participation in the Medicare program at any time during the collection period, that is, any time during 2013.

**Response:** We appreciate the commenters’ support of our decision to exempt hospitals that terminated participation in the Medicare program before the start of the collection period. The survey instructions also indicate that no/low utilization Medicare providers are not required to complete the occupational mix survey; a provider should check with its FI/MAC to confirm this status. Additionally, at least 11 months of data must be provided on the survey in order to reflect seasonal variations in staffing levels. Therefore, we do not include a hospital’s occupational mix survey data in the wage index calculation if the hospital’s reporting period is less than 11 months. We continue to consider ways in which we can reduce the administrative burden of completing the survey without reducing the accuracy of the occupational mix adjustment.

### **Incorporating the Data Collection into the Medicare Cost Report (MCR)**

**Comment:** One commenter said that CMS should consider a more streamlined and automated approach by incorporating the occupational mix survey data collection into the MCR electronic data submission. The commenter indicated that this may help to reduce provider reporting burden, and automate FI/MAC processing by using the tools that are already in place for the MCR process.

**Response:** We appreciate the commenter's feedback with regard to incorporating the occupational mix survey data collection into the MCR. We agree with the commenter that, ideally, the occupational mix survey data should be collected in conjunction with the 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. We will continue to consider the logistics and timing involved in modifying the cost report to accommodate the collection of occupational mix data in the future. However for the 2013 collection, a separate occupational mix survey form and process will still apply.

### **Correcting Error in the Cost Center Descriptions**

**Comment:** One commenter brought to our attention a few technical errors on the Medicare Wage Index Occupational Mix Survey Cost Center Descriptions. The commenter indicated that the cost report line numbers for 4 of the cost centers were incorrect.

**Response:** We appreciate the commenter bringing this technical error to our attention. We have revised the cost report line numbers for the 4 cost centers. The line numbers for Electrocardiology, Renal Dialysis, Ambulatory Surgical Center (Non-Distinct Part), and Other Ancillary have been revised to 69, 74, 75, and 76 respectively; this is consistent with cost reporting form 2552-10.